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NEWS SUMMARY

GENERAL

Arabs skyjack French airliner

...after leaving Athens, an ...France wide-bodied two-jet ...en-route from Tel Aviv ...was skyjacked to Libya ...216 passengers aboard, in... 82 Israelis and two...

...night Libyan officials ...said to have boarded the ...at Benghazi airport to ...with six Palestinian ...illas. At the same time the ...lar Front for the Liberation ...alestine claimed responsi... for the skyjack, but no ...ands were revealed.

...ael reacted with anger and ...ess to the news that so many ...people were being held in ...a. The Cabinet considered ...problem, but late last night ...not announced any decisions.

...opical spell continue

...road traffic figures were ...en this week-end as Britain's ...ical spell continued. Bucket ...spade families jammed the ...s to the coast. The RAC ...nated that more than 5m. ...ers were on the move.

...mperatures were again in ...90s, 95 degrees F being regis...d in Southampton which was ...erday's hottest spot. The ...don Weather Centre said ...e was no sign of a break ...he heatwave.

...die in ...il crash

...holidaymakers, many of ...n believed to be Dutch, were ...d and 29 injured yesterday ...n a crowded Amsterdam-Paris ...irrion express jumped the ...al Neufvilles in the south ...Belgium. Unconfirmed reports ...ke of rails being buckled in ...heatwave.

...elsh CBI may ...t own exams

...sh businessmen, anxious ...at the poor performance of ...uils, threatened yesterday ...hold their own examinations ...school leavers if Government ...posals for a 16-plus exam are ...ied out. CBI Wales has also ...d its members to keep ...ords of poor literacy and ...meracy among school leavers ...lying for jobs so that evid...e can be presented to the ...ernment.

...000 in London ...partheid protest

...e than 6,000 people marched ...e miles through London yes...day to a Hyde Park protest ...inst apartheid and the recent ...ings at Soweto in South ...ica. The march was organised ...he Anti-Apartheid Movement. ...desian white opinion shifts ...her right. Page 5

...ditorial Comment, Page 12

...rtugal polls

...re was a big turnout—thought ...e around 83 per cent.— in ...erday's Portuguese Presi...tial election. General Eanes ...overwhelmingly in the first ...lt which came from the Far ...enclave of Macao.

...rfolk blast

...explosion followed by fire ...olished a building used to ...ufacture Clopidol chicken ...additive at Dow Chemical's ...'s Lynn, Norfolk works. One ...is believed to have died.

...doing well

...id Palmer, news editor of the ...ancial Times, was last night ...rted neck and neck with ...e Francis in the Jester class ...the Observer Single-handed ...s-Atlantic Race. Page 2

...iefly...

...rial of mercenaries in Angola ...esumes to-day when verdicts ...nd sentences are expected. Page

...ritish Olympic hope Steve Ovett ...eat New Zealand track star John ...Walker in a Helsinki 800 metres ...1 min. 50.1 to win by six-tenths ...a second.

BUSINESS

New float will test stock market

● WILLIAM LEECH (Builders) will be publicly floated on the stock market to-day — only the second company to go public through a new offer for sale in the past 2½ years.

New flotations have not been practicable until recently because of the depressed state of the market. To-day's launch is expected to be followed soon by flotation of Hambro Life Assurance and possibly Thomas Borthwick.

Men and Matters, Page 12; Page 26; Back Page and Lex

● U.S. PROPOSALS for dismantling industrial nations' tariff barriers may be raised informally during the seven-nation economic summit at Puerto Rico.

● IRISH BANK STRIKE is due to start to-day after the failure of weekend peace moves. Back Page

Grocery prices fall by 1.7%

● GROCERY PRICES, as measured by the Financial Times Grocery Prices Index, have fallen this month for the first time since September. The index is down 1.7 per cent., but is still higher than in any month except last month. Main reason for the fall is the drop in the price of potatoes. Page 4

● PRICE CODE revisions are likely to be published on Wednesday. Businesses will have 28 days to suggest further amendments, but it is unlikely any major ones will be accepted. Page 4

● CONSUMER CONFIDENCE was down sharply at the beginning of this month, according to a survey. Last month there was an upsurge of optimism on the imminence of the Government-TUC pay pact, but since then worries about price rises caused confidence to sag. Page 4

● BANK LOANS in sterling to the private sector rose sharply in the three months to mid-May, although lending to manufacturing remained depressed. Page 4

● NATIONAL ENTERPRISE Board guidelines should be changed if the Board is to make a real contribution to industry, according to the Association of British Chambers of Commerce. Page 4

U.K. wins £54m. Saudi deal

● SAUDI ARABIA has awarded a £54m. contract to Grandmet International Site Services to supply basic amenities to two construction camps over the next five years. Back Page

BRITISH GAS has begun negotiations to sell big new gas supplies to industrial and commercial customers. The supplies would be available from spring 1978, when the Frigg field in the North Sea should be on stream. Back Page

● GLASS container makers face stronger competition this summer now that United Glass has brought its £8.5m. furnace on stream. Page 30

● LONDON CHAMBER of Commerce is backing plans for a national water authority, but has criticised proposals to equalise water charges in different areas. Page 4

● POWER of large manual unions within the TUC has been attacked by a smaller white-collar union, the National Union of Bank Employees. It calls for more participation for small unions in evidence to a TUC working party. Page 7

COMPANIES

● NORCROSS made higher pre-tax profits of £12.08m. (£9.89m.) in the year to March 31, after an upsurge in the second half. Page 26 and Lex

● UDS GROUP is showing an improving trend in the second quarter, except in men's tailoring, reports Mr. B. Lyons, the chairman. Page 26 and Lex

Whitehall prepares for next stage of industrial strategy

BY ADRIAN HAMILTON

The Government is intending to make a major exercise out of the July 7 industrial strategy meeting of the National Economic Development Council with the Prime Minister as chairman.

Nearly all the reports of the 39 sectoral working parties preparing the industry-by-industry studies have now been circulated to the NEDC members.

This week, the Treasury is expected to add a joint paper with the Department of Industry assuring the Government's commitment to an overall policy in aid, profits and interest rates over the next few years designed to encourage investment in the manufacturing sector.

At the same time the Department is also considering the introduction of several more industry schemes, possibly for diesel engines and other middle technology sectors costing a total £50m. to £60m.

Concern

The additional funds would have to come out of the contingency reserve at a time of intense Government concern to curb public expenditure and to keep within its overall targets. Nevertheless there are signs that at least some members of the Cabinet are sympathetic to increasing State aid and to industry in view of its value to new investment and jobs.

Further aid schemes could be announced as part of a package including additional employment assistance combined with expenditure cuts in other directions expected later this summer or early in the autumn.

Consideration of further industry aid schemes on the lines already introduced for a number of industries, including foundries and printing machinery, comes when the Government is putting increasing emphasis on its industrial strategy as a means of tackling both the short-term problems of economic revival and the longer term problems of manufacturing growth.

The Prime Minister and the Chancellor of the Exchequer have recently put considerable emphasis on the strategy work as a means of defining potential bottle-necks in the economic upturn.

At the July meeting the Government is also expected to urge the importance of continuing the industry studies to feed into budgetary thinking at the turn of the year.

While Ministers are known to feel that the reports of the various sectors are asking too much in the form of additional Government aid, the Chancellor and the Industry Secretary are expected to reaffirm the Government's commitment to the strategy at the July meeting.

ON potential bottlenecks, the work of the sectoral groups appears to have thrown up somewhat vague advice. Although considerable worries have been expressed by a number of industries about potential shortages of skilled manpower, steel and finance, few industries seem themselves to expect to be short of capacity in the way that they were in the 1973-1974 boom.

Nor has detailed investigation shown up the precise justification for these worries. A study into industrial finance by a special committee chaired by Sir Eric Roll is believed to have concluded that finance as such should not prove a major drawback to the upturn, although there may be special circumstances of concern.

British Steel, for its part, has assured the Government that it can meet increased demand, while the evidence for manpower shortages appears to be based more on vague fears founded on past experience rather than definite shortage.

Many of the recommendations of the sectors are thought to be specific to themselves—ranging from worries about the work of Government research outfits, to particular problems of local application of the Health and Safety Act, difficulties with British standards and the workings of the ECGD cover on inflation.

Conclusions

NEDO has prepared a general paper covering the main points from all sectors under the headings of labour and productivity; manpower; capacity and investment; finance; and market penetration.

Its conclusions are likely to point to some of the general problems of poor productivity, age of assets, limitations of British design and financing cost which are already well known, although there is some disappointment being expressed at the reluctance of unions to consider the problems of productivity in the groups.

In addition to the sectoral papers and the summary document, a joint paper from the

Continued on Back Page

Early days, but still problems, Page 12

GOVERNMENT FOCUSES ATTENTION ON SHIPBUILDING

Varley seeks union support

By John Wyles, Shipping Correspondent

AN URGENT attempt to win trade union co-operation in measures to deal with the crisis facing Britain's shipbuilding industry will begin on Thursday.

Although the Confederation of Shipbuilding and Engineering Unions has staked out in advance a firm position against redundancies and shipyard closures, Mr. Eric Varley, the Industry Secretary, is planning a series of meetings to try to convince union leaders that it is virtually impossible for Britain's industry to survive the world shipbuilding crisis intact.

Dire

The oil tanker glut coupled with the trade recession, indicates that world demand for new ships over the next five to 10 years may be cut by as much as 60 per cent.

This has dire implications for British shipyards whose order books will start to run out next year and whose prospects of finding enough work to keep their yards fully occupied beyond 1977 look remote.

Union leaders are expected to argue that Britain's shipbuilding capacity should not be cut because output has remained static for several years while other countries such as Japan, Sweden, France and West Germany, have greatly expanded their capacity and should, therefore, be the first to contract.

Mr. Varley will be flanked on Thursday by members of the organising committee of British Shipbuilders, the corporation which is due to run the industry after nationalisation.

Preliminary analyses made by the committee are believed to point to a certain contraction of the industry. But more definite conclusions await completion of a detailed market study.

This week's talks were initiated by Mr. Varley in a speech last Wednesday to the CSEU annual conference in Torquay.

It was stressed yesterday that Thursday's meeting would be the first of several over the next few weeks. Union agreement is clearly crucial to the success of the Government's shipbuilding strategy which is based partially on rationalisation, phasing out the less efficient and unprofitable yards, partly on maintaining the success of naval shipbuilding and some merchant shipyards such as Austin and Pickersgill on Wearside, and partly on international agreement to reduce capacity worldwide.

● Mr. Dan McGarvey, president of the Boilermakers Amalgamation, confirmed last night that he would attend the talks "to hear what Mr. Varley has to say."

Commons to vote again on Bill

BY PHILIP RAWSTORNE

THE GOVERNMENT will to-morrow attempt to resolve the Commons deadlock which has held up the aircraft and shipbuilding nationalisation Bill for over a month.

Ministers hope that a replay of the disputed vote, which provoked Mrs. Margaret Thatcher into breaking off normal working relations with the Government, will allow the legislation to proceed.

Reinforced by the vote of the newly elected MP for Rotherham, the Government should be able to muster just enough strength to reject a Conservative move to refer the Bill to a Select Committee for further examination.

Before the critical division, MPs will decide which way the Speaker, Mr. George Thomas, should cast his vote in the event of a tie. In the disputed vote he would have cast it for the Opposition but following precedent, he would to-morrow side with the Government.

Ministers, as a compromise have agreed to let the Commons settle the issue.

The Speaker: MPs to decide on how his vote should be cast.

Normal

The Government's limited concession has not satisfied many Conservative backbenchers who are urging the shadow Cabinet to continue its non-cooperation policy.

But the signs are that Mrs. Thatcher will restore normal relations later in the week. Mr. James Prior, the Opposition spokesman on Employment, praising the Tory Leader's tough tactics over recent weeks, said at the week-end that she had forced the Government to climb down but had shown also that she knew "when to negotiate and how far to go."

Even if the deadlock is broken, the Government still has to face further vigorous opposition to its proposals in the Commons and later from the Conservative majority in the Lords.

Mr. Michael Heseltine, the Tory spokesman on industry, intends to ask for a meeting with Mr. Eric Varley, Industry Secretary, to-day to seek more detailed information on the Government's plans for the industries.

The conclusions of the organising committees for the nationalised industries on closures and redundancies should be published, said Mr. Heseltine. "Let the Government tell the truth about this and then see how much support there is for nationalisation."

Against the determined political campaign which Conservative leaders in the Lords have already indicated will be pursued, the Government has little chance of getting the legislation through before late autumn.

Parliament will almost certainly have to be recalled for a lengthy "spill-over" session in September and October. And despite Mr. Michael Foot's commitment to the completion of the Government's entire programme, Ministers may yet be forced to abandon one of the other major bills still clogging the Parliamentary pipeline.

After the protracted debates last week on the development land tax, Ministers this week will be engaged in another two-day Commons fight over the measures for compulsory comprehensive education.

The Government also faces a potentially embarrassing cross-examination in the Commons to-day over the leakage of Cabinet papers on the decision to shelve the child benefit scheme.

Sir Douglas Allen, who is investigating the leakage, sent an interim report on the course of his inquiry to Mr. James Callaghan at the week-end, shortly before the Prime Minister left for the economic summit in Puerto Rico.

Sir Douglas has apparently so far failed to trace the source of the leakage—and the Government will be pressed by the Conservative to hand over the investigation to the police and possibly to a tribunal.

To-day's debate will also provide Labour backbenchers with an opportunity to express their dissatisfaction with the Government's decision to defer the scheme.

New Lebanon peace bid as Beirut battles worsen

BY OUR FOREIGN STAFF

LEBANON's warring factions were reported last night to be attacking each other with unprecedented ferocity as efforts to bring them together in a round-table conference were pursued in Jeddah, Saudi Arabia.

As the Foreign Ministers of Syria, Egypt, Kuwait and Saudi Arabia sought a formula broad enough to ensure a cease-fire, reports from Beirut indicated fighting threatened to engulf all the capital and its environs.

Most of the city appears without water or electricity. Many parts are under continual shelling. Deaths in 24 hours are at least 150.

A dispatch from Beirut by Financial Times correspondent Ihsan Hijazi said the streets were full of children with all varieties of water containers shuttling to public taps to keep their families supplied.

The lack of water led some doctors to fear serious epidemics. Many hospitals are said to be without water or electricity. The power supply, including electric motors to pump the water, was cut when fighting broke out near Tel al Zaatar refugee camp.

The fighting for this Palestinian camp, a Left-wing enclave deep inside the predominantly Christian area north of Beirut, is in its sixth day. It is said to have suffered some of the heaviest shelling of the 15-month civil war.

Beirut Airport was shelled yesterday morning, setting a Middle East Airlines Boeing on fire after it unloaded passengers from Amman, killing the Lebanese pilot and wounding two crew. The airport was then closed.

The shelling followed threats from Right-wingers that they would use every means at their disposal to close the airport unless certain conditions for its operation were met before a five-day deadline to next Wednesday.

The Arab peace-keeping force, in the airport partly to stop gun-running, seems virtually helpless in the face of the renewed offensive by both Christians and Moslems.

Egypt said at the week-end she would not watch "with folded arms" if "aggression" against Palestinian refugee camps in Beirut continued. This reference to the battle for Tel al-Zaatar is clearly a warning to the Christian faction, though nothing suggests at this stage that Cairo contemplates unilateral action.

Major Abdesallam Jalloud, the Libyan Premier, continued his efforts at mediation. Yesterday he was reported to have worked out with Mr. Pierre Gemayel, a Right-wing Phalangist Party leader, conditions for keeping both the airport and Beirut harbour open.

The Phalangists said they were willing to negotiate a cease-fire, and claimed that the party was not taking part in the Tel al-Zaatar fighting, but that it was the militia of the National Liberal Party, led by Mr. Camille Chamoun, former President.

Mr. Chamoun, quoted by Right-wing radio said he and outgoing Christian President Suleiman Franjieh discussed "international issues" when they met yesterday. This was taken to be a reference to possible internationalisation of the Lebanese conflict, a move long favoured by the Right.

But for any Lebanese approach to the UN to be accepted other countries must take a stand on whether Mr. Chamoun's appointment as Foreign Minister last week is valid. Made by Mr. Franjieh, it is contested by Moslem Premier Rashid Karami, and regarded by the Left as a Right-wing attempt to further partition.

European Communist summit a triumph for Tito

BY LESLIE COLITT

BERLIN, June 27.

THE TWO-DAY summit conference of European Communist Parties which opens here on Tuesday is a milestone in relations between the Soviet Union and the growing number of Communist Parties proceeding down an independent national Communist path.

The conference is a considerable triumph for President Tito, the 84-year-old Yugoslav leader who launched national Communism in 1948 when he broke with the Soviet - dominated Cominform. The Yugoslavs had not attended a major Communist conference since 1957.

Before the Yugoslav delegation left Belgrade for East Berlin one of its key members, Aleksandar Grlickov, told a Yugoslav television audience that the term "proletarian internationalism" (a phrase denoting Soviet hegemony over world Communism) "has been replaced by international co-operation." Mr. Grlickov, as secretary of the Yugoslav party's presidium in charge of international relations, was Yugoslavia's chief representative at the preparatory talks here and he resisted all Moscow's efforts to be recognised as the centre of the International Communist movement.

A prominent absentee from the Soviet delegation, which is headed by Mr. Leonid Brezhnev, the General Secretary of the Soviet Communist Party, is Mikhail Suslov, the senior Politburo member in charge of ideological affairs and international Communism. Mr. Suslov is thought to favour a very tough Soviet stance towards Communist Parties veering from Moscow line.

One Communist in East Berlin, well versed in relations between Moscow and the other parties, believes the real question is whether this conference is merely a "papering over of differences between the Soviets on the one side and the Yugoslavs and Italians on the other or whether the ideological warfare will soon break loose again."

The Soviet Communist Party has had to retract one cherished principle after the other in recent months in order to stage this conference which it originally hoped would re-affirm its leadership of the Communist movement. The process of whittling down Soviet demands began in February last year at the first East Berlin preparatory meeting for the conference.

At the heart of the dissension has been Moscow's concept of "proletarian internationalism" which, ever since Lenin, has given the Soviet Union a leading role which is to be followed and emulated by other parties. Marshal Tito's break with Moscow and the subsequent Soviet-Chinese split were the first threats to Moscow's supremacy in the Communist world. The Warsaw Pact invasion of Czechoslovakia in 1968, done in the name of "proletarian internationalism" evoked deep mistrust of Moscow's motives among the Balkan and West European Communists. Yugoslavia said it would not take part in any conference until the phrased was expunged from the draft document to be adopted at he summit meeting.

At the week-end, the Yugoslav party's weekly journal Kommunist, said the Communist document would contain no binding directives. Nor would it recognise the existence of any Communist centre, or formulate any general line or co-ordinate actions. In short it would contain none of the points originally demanded by the Soviets.

THE WEEK IN THE COURTS

Law Lords' decision on hire-purchase pitfall

BY JUSTINIAN

THE HIRE-PURCHASE agreement is an ingenious and convenient method of financing the sales of consumable goods. But it has its trap for the unwary, susceptible to the activities of the fraudsman;

The law, by divorcing the ownership of the goods (invariably vested in the finance house) from possession (held either by the dealer or the private hirer) and by permitting the latter to retain the documents of title without endorsement of the interest of others in the goods, lends itself all too readily to fraudulent dispositions. The perennial failure of English law to develop a system of charging such property, in a manner comparable to that adopted for transactions in land, has made this branch of the law ripe for litigation; its failure was ruthlessly exposed in *Moorgate Mercantile Co. Ltd. v. Twitchings*, where the House of Lords had to decide between a finance house and a car dealer, who should suffer the loss resulting from the fraud of a private hirer.

Acutely aware of the risks attendant upon hire-purchase transactions, the finance houses in 1938 devised a scheme of their own for the registration of hire-purchase agreements. They set up a company called Hire-Purchase Information (HPI) with which the great majority of hire-purchase agreements are registered. But the system is not, nor can it be without legislative intervention, compulsory or universal.

Moorgate Mercantile let out on hire a car to a Mr. McLorg. It was the finance house's intention—indeed it was its normal practice—to register the agreement with HPI.

Majority

By some unexplained failure (which probably occurred within the finance houses' organisation) the agreement was not registered. Consequently when the car dealer, Mr. Twitchings, contemplated purchasing the car from Mr. McLorg, and to that end enquired of HPI whether there was any hire-purchase agreement registered or recorded against the car, he received a negative response (Mr. McLorg had concealed the fact of non-registration from Mr. Twitchings). The sale proceeded, and Mr. Twitchings then resold the car. The finance house, learning of the transaction, sued Mr. Twitchings for damages for conversion. The action was successful in the County Court; the Court of Appeal, by a majority of two to one, allowed the appeal. In the House of Lords the finance house won by three Law Lords to two.

If HPI had not existed, there could be no doubt that, other than exceptionally, the finance house could not be prevented from reclaiming its property from the trade dealer—at least since the Hire-Purchase Act 1964. The question was whether the finance house was to be in a worse position because of the existence of HPI. Was Moorgate Mercantile under a duty towards dealers

Everything depended upon the registration scheme. The characteristic of the scheme is its voluntary character. A finance house is under no obligation to become a member of HPI (a tiny proportion—2 per cent.—are not members). There is thus no obligation to register. Against that fact has to be set the fact that the registration system is extremely comprehensive. HPI has 700 subscribing members, and approximately 4½m. hire-purchase agreements are registered with it. About 8,000 motor car dealers and auctioneers are affiliated members.

The finance house of course give the dealers no guarantee that their records are complete, but that does no more than protect HPI from claims and does not affect or diminish the responsibility of those who supply information to HPI. Dealers are aware that the registration system is not foolproof. But does that absolve the finance house from supplying such information to the registering agency?

Three Law Lords were impressed by those facts and held that there was no duty on the finance house to supply the information. They were impressed by the paradox that those finance houses that conscientiously, if also self-interestedly, have joined HPI should be in an apparently worse position than those which have never joined it. The answer to that is that those which are members of HPI gain considerable benefits in the form of mutual protection and saving of administrative costs.

On that analysis Lords Wilberforce and Salmon concluded that Moorgate Mercantile was under a duty to Mr. Twitchings to take reasonable care to register any hire purchase agreement to which it was a party, so that if in reliance on the absence of any such registration a dealer acts to his detriment, Moorgate Mercantile could not assert its title against the dealer. That duty is owed specifically to the dealer, and it does not follow that the finance house would owe a similar duty to other persons.

But that view did not prevail. The majority of the Law Lords thought that Moorgate Finance, undoubtedly the owner of the vehicle sold by Mr. Twitchings, was not prevented from asserting its title to the vehicle in an action for conversion.

Innocence

When a car is sold by someone who is not the owner of it, the ordinary procedure is that the finance house repossesses it, or claims damages from any of the innocent parties who have dealt with the car. The whole burden of financial loss is borne by those who have dealt with the car in all innocence. The only exception to that situation is the private person who buys in good faith without notice of the hire-purchase agreement. The Hire Purchase Act 1964 gave innocent private purchasers complete protection; it did not extend the protection, however, to the innocent dealer. Perhaps it now should.

The other choices would be to make registration of hire-purchase agreements compulsory, or to legislate in respect of the ownership of logbooks. The present mischief is that logbooks are regarded by the public as proof of ownership of vehicles, whereas the courts have consistently said that they are not documents of title. The 1964 legislation, when it was going through its parliamentary stages, contained provisions that the registration book of a vehicle let on hire purchase should be retained by the owner, and that the hirer should be given a licensing card enabling him to obtain his road fund licence.

YACHTING

Palmer makes good progress after days of high winds

BY STUART ALEXANDER

DAVID PALMER and Clare Francis are still neck and neck in the Jester class of the Observer Singlehanded Transatlantic Race.

Palmer, in his 35-foot pink trimaran FT, gave his position yesterday as 41 degrees 19 minutes north, 57 degrees 41 minutes west at 1400 GMT., while Clare Francis at 13.30 GMT was 45 degrees north 57 degrees west.

In his message Palmer, who is News Editor of the Financial Times, said:

"Good progress after several days of bad weather in winds 35 to 40 knots. Yesterday heaved to in winds 35 to 50 knots. Possible I will reach Newport between Thursday and Sunday. BBC reports Clare Francis doing well. I do not know where competition is. Boat and skipper doing well."

At the Newport, Rhode Island, finish there was still no sign of a winner as dull, cloudy weather and little or no wind persisted.

This means that the record of 20 days 13 hours 15 minutes has not been beaten.

There has been no sighting of any of the leaders and earlier reports that Eric Tabarly had been sighted south of Cape Race have since been thrown into doubt.

Neill is elected All Souls warden

BY MICHAEL THOMPSON-NOEL

"HE'S NICE and he's clever but he's no great original." Thus one Oxford insider yesterday on the news that the Fellows of All Souls College, Oxford, had elected Mr. Patrick Neill, QC, as their next Warden.

The post is one of privilege and prestige and one of the most coveted academic trophies in Britain.

Mr. Neill, aged 49, has been a Fellow of the college since 1950 and is a former sub-warden. As a silk he has specialised in commercial cases—he was reading up a case in his London chambers on Saturday while the Fellows deliberated his elevation.

He is to succeed Mr. John Sparrow, who retires after 25 years in the autumn, when he will be 70. Mr. Neill is a Crown Court Recorder and was chairman of the Bar Council in 1974-75.

Breach

What probably gave him the edge in the competition for the wardenship, if competition is not too strenuous a word for All Souls, is his legal background and his lack of flamboyance.

"Sooner or later, and probably sooner, All Souls will have to admit women Fellows," said one observer. "It will also have to heal the breach with the University—which resents its pretensions—and it will have to decide what sort of an institution it wishes to be.

"At the moment, its professorial and research Fellows are a bit of a hotch-potch: lawyers and philosophers, some historians, but no scientists to speak of.

"Subconsciously the college was looking for someone to face these questions as painstakingly but as slowly as possible. Hence Neill, rather than, says, Bernard Williams (a former Fellow of All Souls and now Knighsbridge Professor of Philosophy at Cambridge)."

Prof. Williams, aged 46 and the former husband of Mrs. Shirley Williams, the Prices Secretary, was the favourite of the younger, more radical, All Souls set, but in the end it was the lawyers and the old guard that won.

All Souls is one of the most exclusive research centres in Britain. It has no undergraduates and no graduates to supervise. It comprises about 60 Fellows, only some of whom are resident, only some of whom are academics.

When assembled, they are said to be the cleverest group in Britain. Each year they perpetuate their élite by electing two Prize Fellows from among the undergraduates. These have included Sir Jeremy Morse, Lord Hailsham, Sir Keith Joseph, Sir John Foster, Q.C., and Mr. Douglas Jay.

TENNIS: WIMBLEDON

BY JOHN BARR

Drama and frustration end a sizzling first week

WHAT A furious, sizzling and frustrating first week it has been at Wimbledon! Soaring daily temperatures made the simple acts of playing, watching, and even reporting the tennis quite an ordeal, and did nothing to cool our exasperation at some curiously inept programming on the show courts.

Serious inroads were made in the men's seeding list, where the top seed and holder Arthur Ashe was beaten on Saturday in five gruelling sets 4—6, 8—9, 6—4, 6—3, 6—4 by a fellow American Vitas Gerulaitis, on the hottest June day recorded in London.

Nor was the atmosphere helped by the tactless and badly timed demand made by the Women's Tennis Association for equal prize money with the men in 1977.

Clearly Jerry Diamond, the executive director of WTA, has not read his Dale Carnegie. If he really believed that the way to win friends and influence people at Wimbledon was to issue threats of staging a rival event elsewhere unless the demands were met then he was very badly advised by his two leading ladies Billie Jean King, the past president of WTA, and Chris Evert, who now holds that post.

The dignified reply by joint championship committee chairman Sir Brian Burnett was a masterpiece of diplomacy and left WTA in no doubt that next year's centenary Wimbledon would offer no more than an 80 per cent. ratio of prize money for women, who, he said, played and entertained less than the men, and were nothing like as strong in depth.

Historic

Sad as it would be not to have the world's leading women, particularly in an historic year, Wimbledon is greater than any player or group of players as was proved in 1973 when, despite the absence of 79 members of the Association of Tennis Professionals, the men's players' union, there were record attendances. If we were able then to enjoy Hamlet without the Prince, surely the absence of a few princesses would not altogether ruin our fun.

The men's matches on Saturday contained further elements of drama. While Gerulaitis was doing his recovery act against Ashe, the heroic Puerto Rican Charlie Pasarell was similarly engaged against the crisp-hitting Australian Phil Dent, the man who had removed the No. 9 seed Tom Okker. Pasarell came back from the loss of the first two sets 2—6, 4—6 to reel off the last three 6—4, 6—0, 7—5, to confirm that his manful win against No. 5 seed Adriano Panatta on Friday was no fluke.

On Court 2 where Guillermo Vilas (Argentine) became embroiled in a war of attrition against fellow left-hander Tony Roche, a semi-finalist last year, but seeded 12 this time.

Vilas hung on grimly in the sweltering heat to record a 6—4, 3—6, 5—7, 6—3, 6—4 win that Roche attributed afterwards to superior fitness. "Yes, he lasted better than I did. I came here healthy but unfit, which has taught me a lesson I should have known anyway."

Courage

There was courage, too, from fourth-seeded Bjorn Borg. Before his match with Brian Gottfried, the young Swede had to have a pain-killing injection in his stomach, where an old injury had given him trouble the previous evening. No one seeing the way he demolished the American 6—2, 6—2, 7—5 would have believed there was anything wrong. It will be interesting to see how he prepares for his next match against Vilas, who is a great personal friend and his doubles partner.

The big guns were out and firing accurately, too, as the No. 2 seed Jimmy Connors, projecting winners from all parts of the court, defeated former champion Stan Smith 6—4, 6—1, 6—3 and fellow-American Roscoe Tanner, the No. 7 seed, won another battle of left-handers 6—3, 6—4, 6—4 against Nikki Pilic.

There was little finesse and much thunder so that the repeat of the Connors-Tanner semi-final last year in the quarter-finals to-morrow will give us all the opportunity to assess just how well they are both playing.

This afternoon's women's quarter-finals are exactly as the seeding committee anticipated with two players each from Britain, America and Australia, plus a Romanian and an exiled Czech.

Chris Evert, who has lost only seven games in four matches and looked ominously sharp on Saturday when she dismissed a potentially difficult opponent in Holland's Betty Stove, 6—2 6— will play Olga Morozova (US On current form the favou should survive easily.

Martina Navratilova, fourth seed, who has turned back on Prague to make home in Beverly Hills, ma heavy weather of her last ma against Françoise Durr (Fra and won 2—6, 6—3, 7—5 wh must augur well for the chan of Paignton's Sue Barker w is seeded seventh.

Booming

On Saturday the Devon g playing for the first time on Centre Court against one of game's legends, Maria Bu the graceful Brazilian, took so time to settle but by the of her 2—6, 6—2, 6—1 w played in a temperature o 100 degrees, was booming a happily again with that form able forehand.

Britain's other seeded rep sentative, the third favou Virginia Wade, will be atte ing to enter the semi-finals only the second time—she been a quarter-finalist on other occasions.

Her display on Satu against the young South Afri Marise Kruger was not conv ing. Miss Wade was down in the final set before winn 2—6, 6—3, 7—5 and she can afford to be so erratic aga to-day's opponent Kerry Rei Australia, the No. 8 seed. Reid had looked at the to her form in beating one most talented girls in the Greer Stevens of South A 3—6, 6—3, 6—1.

San Francisco's Rosie Casals, seeded No. 6, will attempting a fifth entry into semi-finals when she plays No. 2 seed, Evonne Cawley. Saturday both girls won vincingly—Miss Casals 6—2, against Mima Jausovec of Yug slavia who won the Italian O last month, and Mrs. Caw 6—3, 6—0 against perhaps best of Australia's young players, Dianne Fromholtz.

There are other good thin in prospect this week, too, wi the arrival on the outside cour of the veterans and the junior Perhaps the crowds round Cou 14 will not be as large or troubl some as they were last wee so that a more effective metho of dealing with their arrival an departure in the new 1,400 sea stand can be organised.

CRICKET

BY TREVOR BAILEY

Batsmen the dominant force in the limited-over game

THERE IS considerable truth in that old cricket saying, much loved by the trundlers and rather resented by the batsmen, that "bowlers win matches." Nobody denies the importance of scoring runs, and the entertainment that this can provide, but unless the opposition is dismissed twice, most first-class matches, and especially Tests, will inevitably be drawn.

It is not uncommon for an entire international series to hinge on two or even a single breakthrough by bowlers. However, in limited-over cricket on a good pitch, the deciding factor is usually provided by the batsmen.

There are three main reasons for the decline in the status of the bowler. First, it is not necessary to bowl out the other side to win. Secondly, the importance of the bowler is further reduced by the fact that he is permitted to send down only a prescribed number of overs, whereas the batsman, providing he arrives at the crease early, still has sufficient time to score a century. Thirdly, the bowler is more concerned with the denial of runs than capturing wickets.

Allowed only a certain number of overs, denied the support of attacking fieldsmen, frequently frightened to experiment and, on Sundays, forced to employ a restricted run-up, it is not surprising that he is often reduced to becoming a mere hack, content if he can use up his allotted span for three runs or fewer per over.

On a true wicket, and depending on the pace and size of the outfield, it is feasible, assuming both teams play to their potential, to estimate par for an innings within about 20 runs. What can and often has upset these calculations is when a player produces a masterly innings which can virtually decide the outcome.

The two Benson and Hedges semi-finals last week provided classic examples with almost identical scores by the teams batting first and similar finishes.

Brilliant

At Edgbaston, Worcester, thanks largely to Glen Turner, who made 143, reached 281, which proved just beyond the reach of Warwickshire. At the Oval, Kent, mainly through a brilliant century from Mike Denness, totalled 280, which proved just a few too many for Surrey, though one should not forget a typically mean spell from Derek Underwood.

Victory in both matches was primarily due to high-quality individual innings. This is often the case in this form of cricket. Remember that knock by Clive Lloyd which gave the West Indies the World Cup, and his innings that enabled Lancashire to carry off the Gillette Cup in 1972.

On Saturday, Zaheer Abbas, played for Gloucestershire against Worcestershire in the first round of the Gillette Cup, provided yet another illustratio of how batting is the key to on day cricket.

The brilliant innings, wi suitable support, five stea seamers and good fielding, w often be sufficient to win a ga in any of our one-day domest competitions for the countie But on plumb pitches the sa ingredients will achieve nothi worthwhile in the champions and would be a recipe disaster in a five-day Test.

The one slightly disappoint feature about so many these individual match-winni innings is the high percent scored by overseas cricketer This made Mike's effort Wednesday all the more sa factory, and in addition w timely reminder that he is one of our more graceful attractive stroke-makers.

Although he may have cert limitations against very bowling—he is not alone in —he is a particularly fine pla of spin. As our selectors it necessary to bring back Bri Close to blunt the speed of West Indians, it must be more logical for them to ta the Kent captain, a me stripling of 35, to India ne winter.

He would not only be capab of making runs against Indian slow bowlers, but wou also be able to obtain the quickly and attractively, becau he possesses the footwork, te nique and range of shots nec sary to launch a counter-atta

TV/Radio

BBC 1

† Indicates programme in black and white.

12.45 p.m. Anno Domini. 1.30 Barnaby. 1.45 News. 1.55 Wimbledon Lawn Tennis. 4.23 Regional News (except London). 4.25 Play School. 4.50 Blue Peter. 5.15 Bewitched. 5.40 Barbapapa.

5.45 News.
6.00 Nationwide (London only).
6.15 Wimbledon Lawn Tennis.
7.25 Star Trek.
8.10 Panorama.
9.00 News.
9.25 The Monday Film: "Charlie Bubbles," starring Albert Finney.
10.55 To-night.
11.30 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—1.30-1.45 p.m. Pili Pala. 6.00-6.15 Wales To-day. 7.25-7.45 Heddiw. 7.45-8.10 Go With Noakes: The Oxford Bumps. 11.30 News and Weather for Wales.

Scotland—10.00-10.45 a.m. The Wonderful World of Disney: "The Horse of the West." 6.00-6.15 p.m. Reporting Scotland. 10.55-11.45 A Summer in Skye: Tourism. 11.45 News Summary and Weather for Scotland.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.15 Scene Around Six. 11.30 News Headlines and Weather for Northern Ireland.

England—6.00-6.15 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

11.00 a.m. Play School.
2.00 p.m. Wimbledon Lawn Tennis.
7.30 News on 2.
7.40 Network.
8.10 Barbary Coast.
9.00 The Pallisers.
9.50 Inside Medicine.
10.20 The Balloon Game.
10.50 Wimbledon highlights.
11.40 Newsnight.
11.55 Closedown: Jill Balcon reads "The River Merchant's Wife: A Letter after Rihaku," by Ezra Pound.

LONDON

9.55 a.m. Meet Betty Boop. 10.10 Men of the Sea. 11.00 Boney. 11.50 Cartoon. 12.00 Issi Noho. 12.10 p.m. Pipkins. 12.30 Drive-In. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Marked Personal. 2.00 Good Afternoon. 2.30 Monday Matinee: "The Spanish Main," starring Paul Henreid. 4.25 Clapperboard. 4.50 The Feathered Serpent. 5.20 To-day.

5.50 News from ITN.
6.00 To-day.
6.15 Batman.
6.45 Whodunnit?
7.30 Coronation Street.
8.00 Get Some In!
8.30 World In Action.
9.00 Bill Brand.
10.00 News.
10.30 "Two Mules for Sister Sara," starring Shirley MacLaine and Clint Eastwood.
12.25 a.m. The Red and the Blue.

All ITV regions as London except at the following times:

ANGLIA

10.30 a.m. Halas and Batchelor Cartoon. 10.40 Here Comes the Future. 11.05 Fit to Last. 11.30 Another Chance. 12.30 p.m. Out of Town. 1.25 Anglia News. 2.00 Houseparty. 2.30 Monday Matinee: "The Sheriff Of Fractured Jaw" starring Kenneth More and Jayne Mansfield. 4.25 The Romper Room. 5.20 Nanny and the Professor. 6.00 About Anglia. 12.25 a.m. Reflection.

ATV MIDLANDS

10.30 a.m. A King's Story. 12.30 p.m. Kitchen Garden. 1.20 ATV Newsdesk. 2.30 Feature Film: "Love on the Dole" starring Deborah Kerr. 5.20 University Challenge. 6.00 ATV Today. 12.30 a.m. Epilogue.

BORDER

11.05 a.m. Fit to Last. 11.30 Ulster Sails West. 12.30 p.m. Farmhouse Kitchen. †1.20 Border News. 2.00 Houseparty. †2.30 Monday Matinee: "Victoria the Great" starring Anna Neagle. 5.20 Survival. 6.00 Border News and Lookaround. 6.15 Follow That. †12.25 a.m. Border News Summary.

CHANNEL

2.20 p.m. Channel Lunchtime News and What's On Where. 2.30 The Road To Green Gables. 4.05 Cartoontime. 5.20 Women of the West. 6.00 Channel News. 6.10 Cartoon Cavalcade. 12.30 a.m. News and Weather in French followed by Channel Gazette.

GRAMPIAN

11.05 a.m. Fit to Last. 11.30 Another Chance. 12.30 p.m. Farmhouse Kitchen. 1.20 Grampian News Headlines. 2.00 Flair. 2.30 The Road To Green Gables. 4.05 Cambridge May Ball. 5.20 Breaktime. 6.00 Grampian Today. 6.10 Wayne Nutt—Songs of an Oilfed Man. 6.40 Cartoon Time. 12.30 a.m. Evening Prayers.

GRANADA

10.00 a.m. The George Mitchell Wandering Minstrel Show. 10.50 Alphabet Soup. 11.15 Superman. 11.35 Railroaders. 12.30 p.m. The Galloping Gourmet. 1.20 This Is Your Right. †2.30 Monday Matinee: "Tom, Dick and Harry." 4.10 Man And His World. 5.15 The Pied Piper. 5.20 Wait Till Your Father Gets Home. 6.00 Granada Reports. 12.25 Thank You And Goodnight . . .

HTV

11.05 a.m. Fit to Last. 11.30 About Britain. 12.30 p.m. Being a Child. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Housecall. †2.30 The Monday Matinee: "Sleep My Love" starring Claudette Colbert and Robert Cummings. 4.10 Help Yourself. 5.20 Batman. 6.01 Report West. 6.22 Report Wales.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 2.00-2.30 Hamdden. 6.01-6.22 Y Dydd. 8.30-9.00 Yr Wythnos.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.22-6.45 Report West.

SCOTTISH

11.05 a.m. Fit to Last. 11.30 Another Chance. 12.30 p.m. Wild Country. †1.25 p.m. Road and Weather Report. 2.00 Housecall. 2.30 The Road to Greengables. 4.05 Cambridge May Ball. 5.20 Wait Till Your Father Gets Home. 6.00 Scotland Today. 6.30 Crimedesk. 12.20 a.m. Late Call.

SOUTHERN

10.30 a.m. The Axe and the Lamp. 10.00 Break Time. 11.05 Fit to Last. 11.30 Another Chance. 12.30 p.m. Here Comes the Future. 2.00 Houseparty. 2.30 The Monday Matinee: "Ivanhoe" starring Robert Taylor and Elizabeth Taylor. 5.20 Batman. 6.00 Day by Day. 12.25 a.m. Southern News Extra.

TYNE TEES

11.00 a.m. Starting Point. 11.05 Fit to Last. 11.30 About Britain. 12.30 p.m. Farmhouse Kitchen. 1.20 North East News and Lookaround. 2.00 Housecall. 2.32 Monday Matinee: "House of Secrets." 4.20 Cartoon Time. 5.20 Castaway. 6.00 Today at Six. 6.40 Police Call. 12.30 a.m. Epilogue.

ULSTER

11.05 a.m. Fit To Last. 11.30 Ulster Sails West. 12.30 p.m. Farmhouse Kitchen. 1.20 Ulster News Headlines followed by Lunchtime. 2.00 Women Only. 2.30 Monday Matinee: "Crooks and Coronets," starring Telly Savalas. 4.23 Ulster News Headlines. 5.20 Inner Space. 6.00 Summer Reports. 12.30 a.m. Monday Night with the Rev. Russell Birnie.

WESTWARD

10.15 a.m. Sesame Street. 11.05 Fit To Last. 11.30 Another Chance. 12.25 p.m. Gus Honeybun's Birthdays. 12.40 Wake Up To Yoga. 1.20 Westward News Headlines. 2.30 The Road to Greengables. 4.05 Cartoontime. 5.20 Women Of The West. 6.00 Westward Diary. 6.20 Sports Desk. 12.25 a.m. Westward Late News. 12.28 Faith For Life.

YORKSHIRE

10.00 a.m. Wind In The Wires. 10.15 Lasting Beauty. 10.30 Ed Allen Time. 11.00 Hammy Hamster's Adventures On The Riverbank. 11.10 Technoflash. 11.35 Catch Kandy. 12.30 p.m. Farmhouse Kitchen. 1.20 Calendar News. 2.30 The Road to Greengables. 4.05 Cambridge May Ball. 5.20 The Beachcombers. 6.00 Calendar (Emley Moor and Belmont editions).

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 As Radio 2 (6.02-7.00 as VHF). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Don Durbridge (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.30 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 Wimbledon (1500m only, also 202m Scotland. VHF joins Radio 1) including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45-7.00 Wimbledon (1500m only, also 202m Scotland including 4.45, 5.45 and 6.45 Sports Desk. 4.45-7.00 Sam Costa (S) (VHF only). 7.02 The Monday Movie Quiz. 7.30 Sports Desk. 7.33 Alan Dell: 7.33 The Dance Band Days, 8.02 The Big Band Sound (S). 9.02 Humphrey Lyttelton with "The Best of Jazz" on records (S). 10.02 Sports Desk. 10.06 Band Parade (S). 11.02 David Bellan with The Late Show (1500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: J. S. Bach (S). 10.05 Talking About Music (S). 10.35 Beethoven Piano Sonatas (S). 11.30 Mahler's Eighth Symphony (S). 1.00 p.m. News. 1.05 BBC Lunchtime Concert (S). 2.15 Matinee Musicale (S). 3.15 Organ Music (S). 4.05 New Records (S). 5.15 Bandstand (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Home and Family. 7.30 From The Proms 76, part 1: Mendelssohn (S). 8.20 Interval Reading. 8.25 Concert, part 2: Webern, Dvorak. 9.20 The Frontier of Technology in Space. 10.15 Bach's Short Masses (S). 10.55 Jazz in Britain: The Stan Sulzmann Quartet (S). 11.25-11.30 News.

RADIO 4

434m, 330m, 285m and VHF

‡ Medium Wave only.

6.20 a.m. News. 6.22 Farming Week. 6.40 Prayer For The Day. 6.45 To-day. 7.00 News and more of To-day, including 7.25 VHF Regional News. 7.45 Thought for the Day. 8.00 News and more of To-day, including 8.25 VHF Regional News. 8.45 James Cameron with the BBC Sound Archives. 9.00 News. 9.05 Start The Week With Richard Baker. 10.00 News. 10.05 Wildlife. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Any Questions? 11.50 Announcements. 12.00 News. 12.02 p.m. You and Yours. 12.27 Desert Island Discs. ‡12.55 Weather, programme news, VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour, including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Does The Team Think? 6.45 The Archers. 7.00 News. 7.05 The World In Focus. 7.30 Sounds Natural. 8.00 The Monday Play (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Susie Barnes with Rush Hour. 9.00 Richard Vaughan with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. David Simmons' Call In, including 12.05 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 You Don't Have to be Jewish. 4.32 Tony Fish with Home Run, including 5.00 and 6.00 London News Desk. 7.00 Jenny Thompson and Diana Rice (as 11.03 a.m.). 9.00 Close Up. 8.30 Breakthrough. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

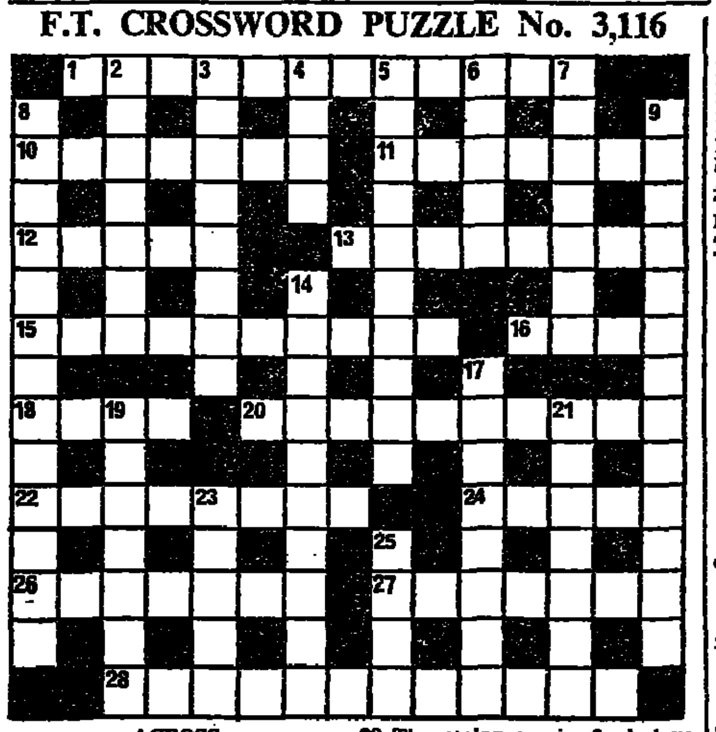
5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 Jane Walmsley and Bryan Wolfe: London To-day. 7.30 Adrian Love: Open Line. 9.00 Your Mother Wouldn't Like It: Presented by Ron Stevens a DJ from Kshe, St. Louis, U.S. 11.00 Tony Myatt: The Late Show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,116



ACROSS

1 To win, do what Mrs. Mopp does with your opponent (4, 3, 5)
10 Told the story recently in colour (7)
11 Anglo-French understanding (7)
12 One of Job's comforters (5)
13 Tower jailer in the Yeomen (8)
15 So no drivel is found in the original account (3, 7)
16 Presently a girl comes about the ring (4)
18 The priestess made up to a brave man (4)
20 Promises sound entertainment in a fashionable quarter (4, 6)
22 Girl friend from Laguna (4, 4)
24 Missile turns gunner to quarrel (5)
26 Article in the story of a dog (7)
27 "By hook and crook you try to look both —— and flat" (Patience) (7)
28 The stalag set in final development (3, 4, 5)

DOWN

2 It is a nasty blow, but someone must benefit (3, 4)
3 So the oriental in the end was gushing (8)
4 Dual personality in the Park (4)
5 "To-morrow to —— and pastures new" (Milton) (5, 5)
6 Chose work to spread (5)
7 Recapitulation for one not fit (3, 4)
8 Faithful like the cobbler (4, 2, 3, 4)
9 What makes people leave home early? (7, 2, 4)
14 Naval toils to make a football team (5, 5)
17 Honest skill rises in the view (8)
19 Another outline of the Russian crowd (7)
21 Attention to advertisement to keep out the noise (3-4)
23 Learning about one river (5)
25 To a degree it means temptation (4)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

RACING

BY DOMINIC WIGAN

Ribramble for Home Ales Gol

LUCA CUMANI, whose highly rated juvenile Sunny Spring made up for Three Legs' poor showing in the Cork and Orrery Stakes when running out an easy winner of the Windsor Castle Stakes, sends his third Royal Ascot runner, *Ribramble*, to Nottingham for to-day's Home Ales Gold Tankard.

In spite of the presence of those smart handicappers *Private Line* and *Walk By* I shall be disappointed if *Ribramble*, one of the joint bottom weights with 7 stone 7 pound, cannot land this valuable six-furlong sprint sponsored by the Home Brewery company.

Always up with the leaders in the 12-runner Wokingham Handicap over to-day's trip at the Royal meeting, Ribramble kept on strongly close home to take third place, three lengths behind Import and Caljobo, who fought out a photo-finish.

Ribramble, who had earlier finished a respectable fourth under 9st 2lb in the Queensbury Handicap at Newmarket, will be ideally suited by the prevailing fast conditions, and it is difficult to visualise his not taking a hand in the finish.

Private Line, who showed himself to be returning to form when chasing home Ubedizzy and Spanish Air in the William Hill North-Western Stakes at Haydock last time out, is suggested as the principal threat to Cumani's charge, ridden by that strong lightweight John Lowe.

With *Venirez* and *Please Turn* *Over* likely to dominate t betting in the Omdurman thr year-old Stakes, backers m obtain good odds about the co sistent *Carrigbeg Prince*, who taken to give Bill Elsey a chan of fortune.

At Windsor's evening meetin where a bumper crowd see assured, *Lady Eton* appears opposable after her second Easy Landing at Newbury in t Pall Mall Stakes.

● Exceller, owned by Americ Nelson Bunker Hunt, who Epsom Derby winner Empe was beaten into second place Malacate in Saturday's Iri Sweeps Derby, won the £96,0 first prize in yesterday's Gra Prix de Paris.

Ridden by Yves Saint-Marti Exceller, another colt by t British sire Vaguely Nobl finished four lengths ahead Secret Man in the Fren stayers' classic over almost tw miles. Queen Elizabeth's Valu tion never showed, and finishe eighth of nine.

NOTTINGHAM
2.00—Bodensee
3.00—Ribramble**
3.30—Aeras
4.30—Carrigbeg Prince***

WINDSOR
6.45—Virginia Lad
7.15—Goldania
7.45—Bowling Alley
8.15—Lady Eton*
8.45—Princely
9.15—Veracious

هكذا من الأصل

Festival in Guanajuato, Mexico

by MICHAEL COVENEY

e fourth Festival International Cervantino took place Guanajuato, Mexico, during first two weeks of May. najuato (pop. 35,000) is a tiful colonial city a few s' drive north-west of ico City, on the Independence Route to Leon. For the 23 years, three short plays Cervantes have been presented in the city, and it is this gal celebration that has ined the growth of a festival looks certain to become a lar fixture in Mexican cull life.

uanajuato is a magical place a festival. At the height of ico's gold and silver mining od at the end of the 19th ury, one of the city's mines producing a fifth of the ld's silver. It was in this od of wealth that the magnint Teatro Juarez was built exterior is classical, the top ned with large, nearly ged statues of the nine es. Opposite this imposing de is an atmospheric square, plete with ornate street s, palm trees and bandd. Inside the theatre, five es wrap themselves around auditorium, extravagantly orated in the Moorish style, a ding, kaleidoscopic achievet of minute ornamentation in green and red. The building had become, recently, more as disused as a theatre, serving as just another place for political meetings in the State. But years ago, thanks to the festival's president and guiding it, the film actress Dolores Rio, the place was refurned, overhauled and generally spruced up for performance poses.

the *Entremeses* of Cervantes—performed in one of the s most beautiful squares, the de San Roque, by an teur company comprising ents, housewives, shoppers, industrialists and children—form the spiritual basis of festival, the grander sense occasion is to be had at the tro Juarez. Here, for two ks, came ballet companies m Cuba, Mexico City, New k, theatre companies from and, Great Britain, Italy, ta Rica. The audiences were made up of visitors from Mexico City. Guanajuato State officials and their families, and students from the city's university. This was something of a contrast to the populace thronging the Plaza de San Roque for the Cervantes. The *Entremeses* were written for open air performance under improvised conditions, dealing in the humanity of such social Spanish stereotypes as lovelorn soldiers, gossiping old men, coquettish girls and charlatan miracle-workers. The three texts used are bound together by a didactic, moralising commentary that also introduces the figure of Cervantes to visit the market square and animate the passions of the people who live there by exercising his poetic genius upon them.

The sense of excitement and participation at this event was unequalled at any of the other more prestigious offerings and picked up the spirit established at the opening ceremony, where Dolores del Rio, the Governor of the State of Guanajuato and other dignitaries were on hand for the unveiling of two metal statues of Don Quixote and Sancho Panza. We had speeches, handshakes, fireworks and the Guanajuato Symphony Orchestra battling manfully with the overture to *The Marriage of Figaro*

The British representatives were the Actors Company, stopping off on their two month tour of Latin America with well-received, sturdy productions of Shaw's *Widowers Houses* and Ayckbourn's *How The Other Half Loves*. Shaw's dour cynicism on the inevitability of capitalists surviving ideologically socialist opposition was as much appreciated as the technical brilliance of Ayckbourn's comedy, and the company sensibly adopted a stern, broad style of playing in punching their lines across.

It would be easy, from a distance, to be scornful of the eclecticism of the Festival programme. But the fact is that, while the Mexicans are, instinctively, enthusiastic and sensitive connoisseurs of Art, their culture in recent years is sadly barren. One only has to sit through half an hour of Mexican National Ballet or the National Opera giving humdrum revival to a corny, 35-year-old piece (*Tata Vasco*, libretto by Manuel Munoz, music by Miguel Bernal Jimenez) to understand why anything as modestly efficient as the Actors Company programme is so rapturously welcomed. Another leading Mexican ballet company, the Ballet Independiente, founded in 1966, is choreographed by a Frenchman, Michel Descombey, and has achieved a standard in lighting, presentation and witty use of classical steps that is more familiar to the expectation of European sophisticates. Their *Vio O* documented the conquest of Nature by the force of materialism with satirical glee, and the finale, with the dancers surprising the audience by the deft removal of their body stockings en route to an innocent statement of man's ability to control his environment was beautifully done

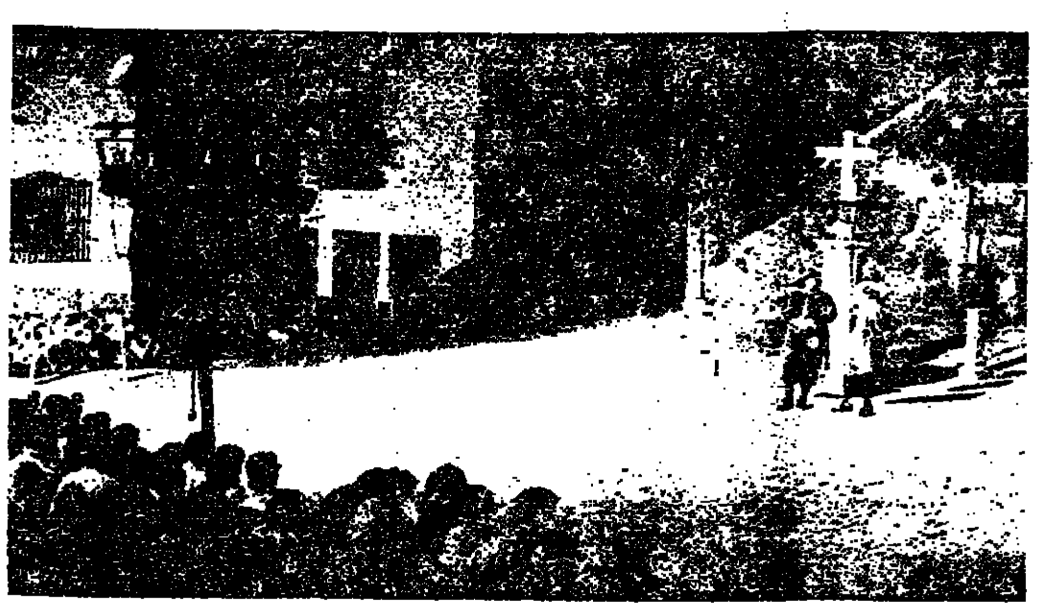
More nudity, cunning and erotic, featured in *In Memoriam*, a triumphant presentation by the University of Mexico under the direction of Hector Mendoza of a show based on the life and work of an indigenous folk poet, Miguel Acuna. *In Memoriam* was given in the other main venue of the Festival, the Teatro Principal, a plain but comfortable theatre also recently renovated by the Festival authorities. Acuna's poetry of love manners was skilfully exploited by a young, good-looking company, to produce a sort of Latin American *Love's Labour's Lost*, full of zest and physical high spirits.

Eastern European professional expertise was evidenced by the Theatre Stu from Cracow in a compilation of nationalist tales by everyone from Mickiewicz and Wyspianski through Gombrowicz and *Mrozek*. Well-played rock music, exciting lighting and romantic extravagance such as more tellingly employed by Wajda and the late Konrad Swinarski created an event that really caught the imagination of an audience hitherto immune to such theatrical display. The ferocity of the acclaim heaped on the company was yet another graphic illustration of how a Mexican audience can react

There was general disappointment at the contributions of Italy—Il Patagruppo from Rome in an absurd, avant-gardist hotchpotch about the Conquest of Mexico based on Artaud's texts—and of Belgium, who brought both *Ja* from the Laboratoire Vicinal and *Iris* from the Theatre de l'Esprit Frappeur. *Ja* is a semantic monologue for an embryonic character, while *Iris* was a fantastically trite concoction about a middle-aged woman's attempts to recapture her memories of Love to the accompaniment of piano music by Erik Satie

The musical programme was mainly presented in one of the city's most beautiful churches, the Templo de la Compania, and ranged from an Israeli piano trio of the highest class (the Trio Yuval), to a rousing pop orchestral concert by Andre Gagnon and his Canadian colleagues. Although one was liable to arrive at the church at 9.15 (for 9 p.m.!) to find people angling lights and testing sound levels, the acoustics proved quite superb, and the trio's memorable concert of Beethoven, Ravel and Schubert was more than equal to the distractions of clicking cameras and traffic noise

In sum, the Festival was a bracing experience, not least because of the location. Guanajuato is a dream of a city, over 6,500 feet above sea level, an endlessly absorbing labyrinth of narrow, winding streets, beautiful town squares, and interesting churches. Luckily, Festival Cervantino has not yet become so relentlessly reputable an exercise as to swamp the charm of its surroundings. One hopes that Maestro Antonio Lopez Mancera, the director, and his hospitable collaborators will not become too enmeshed in the political ramifications of the beast they have spawned and, in so doing, trample on the attractively catholic nature of its behaviour thus far.



Entremeses de Cervantes in the Plaza de San Roque

Dresden opera

Weber-Tage

by JOHN WARRACK

Weber wanted to die in Dresden. Coughing his life away in the fogs of the coldest London spring anyone could remember in 1826, he turned his thoughts more and more on a last effort to get home to his family, to the sun of Hosterwitz and his country house a little way up the Elbe from Dresden. He died in the night a few hours before attempting the journey.

So it was poignant to sit in his garden lately, in the June sun he longed for, and listen to some of his songs, choruses and canons, and — an imaginative touch — Gibbon's "Cries of London." Hosterwitz is carefully tended. The garden has been replanted, the trees of contemporary prints have vanished, the house has lost its picturesque half-timbering; but a well-arranged museum contains portraits, souvenirs, manuscripts, facsimiles, much else to conserve a memory that is still green in Dresden.

The city devoted four days to commemorating the 150th anniversary of his death. On the morning of the actual anniversary, June 5, there were brief speeches at his grave, two of his choruses were sung by members of the opera, and wreaths were laid (I took it upon myself to lay one for English lovers of his music). Thanks to the efforts of Wagner, he now lies not in Moorfields Chapel but in Dresden's Catholic cemetery, a little way out of the centre of the city; and it was Wagner's funeral music on *Euryanthe* themes which we then heard at the memorial statue by the side of the Zwinger. In 1844, as a drawing shows, people were trampled under the throng of mourners as the marching band bore the coffin along; in June 1976 a more formal gathering heard Wagner's beautifully turned tribute to the master he acknowledged above all others.

The Weber-Tage surrounded this homage with a series of well-planned concerts and the chance of hearing several operas. A concert *Euryanthe* followed after the official events, and the controversial Berlin *Oberon* had to be given without the sets; but there was a rare glimpse of *Abu Hassan* and a hearing of *Peter Schmoll* as well as a couple of steeply contrasted productions of *Der Freischütz*.

Schmoll was one of Weber's first efforts, written when he was 15. A production at Hintlesham in 1968 showed that it has a modest charm and is at least as stageworthy as most Singspiels of the day. Concert presentation of rather more than half the numbers gave one a chance to concentrate on the music; and time and again, out of fairly routine gestures in the manner of the simplest Mozart without the matter, there starts a flash of the originality that was to take Weber on to the expressive adventures of his three mature masterpieces. There are some rhythmic surprises, some touches of chromatic harmony that, in their boldness, stick rather too far out of the idiom; above all, there is evidence of that astonishing ear for instruments already alerted to novel effects, as with the dramatic glitter of piccolos flashing in semiquavers above the texture.

Coupled with *Peter Schmoll* was a witty, imaginative production of *Abu Hassan*. Only the difficulty of finding a suitable partner for this engaging one-act comedy, and enticing the public to a double-bill, can have kept it off the stage. It has humour, warmth, pace, timing, tunefulness, with a lyricism yet lightness of touch that make Weber's failure to complete another comic opera a real loss to the theatre.

The story is froth, an anecdote about an improvident poet outwitting at one cheeky stroke his debtors, a lascivious money-lender and the Caliph.

The Entertainment Guide is on Page 7

It has nice roles for a light tenor and soprano and a buffo bass; and it was cleverly produced using a narrator to give a frame to the action while the characters froze in a stage picture. Thus the light artificiality of the piece was underlined, and by means of the device of the stage tableau which Weber himself took over from an old Dresden fashion for his own productions.

Two productions of *Der Freischütz* within 24 hours showed how variously the old piece retains its claim on German affections. At the Staatsoper, Erhard Fischer's somewhat stark setting emphasized popular life in action and the adaptability of the work to modern methods while sacrificing some of the charm and terror of the *Urwald*, though the musical power of the Wolf's Glen filled the arena imaginatively, especially in fine playing under Siegfried Kurz. Rolf Tomaszewski's superb Kaspar indicated a character whose intelligence and corrupt determination were more than a match for Reiner Goldberg's simple Max, and Agathe and Aennchen were nicely presented as a pair of lively cousins rather than the all too familiar contrast of matron and flighty soubrette.

Unfortunately I had to leave half-way through, being peripherally involved in a chamber concert at the Zwinger; but it was fascinating to resume contact with *Der Freischütz* next morning in the shape of an open-air performance. Some 30 kilometres up the Elbe lies Rathen, in what the Whitsun holiday crowds call the Saxon Switzerland. It is the country of Caspar David Friedrich, some of whose greatest paintings in the Albertinum portray its towering rock pinnacles, its dramatically plunging gorges and dense, writhing forests. A path leads up from the Elbe ferry to a natural theatre, to which has been added an orchestra pit, changing rooms, and decent seating. Where better to see the opera that above all embodies the popular life of the German forests?

If the standard of singing was unexceptional, the event as a whole was highly entertaining. Mounted huntsmen careered past the orchestra at full gallop; Agathe's house to one side and the inn to the other framed the main arena; while half way up the rock face a precipitous bridge overhung the ledge where Kaspar forged his sinister bullets, attended by tremendous detonations, swirling smoke, crashing trees, a sudden waterfall and shrieks of diabolical laughter echoing round the forest. It was all very simple, but not simple-minded since the producer, Joachim Zschech, had found a way of letting literal fidelity to Weber's original make dramatic sense.

Of the concerts in this brief festival, I took particular pleasure in a brilliant account of the Clarinet Quintet by Manfred Weise, vivid and colourful but never flashy; in a performance of the Second Symphony by the Dresden Philharmonic under Günther Herbig that made an excellent case for its unusual proportions and scoring; and especially in Malcolm Frager's playing of the Second Piano Concerto with the Staatskapelle under Herbert Blomstedt. Here virtuosity lay not so much in the "damned piano fingers" whose tyranny Weber lamented, as in a quick and delicate tonal interplay between keyboard and instrumental groupings, wholly in the spirit of his ever-questing ear for new sounds and the new ideas and forms they stimulated.

Much else in a crowded, cheerful, hospitable few days was memorable for lovers of Weber's music: the knowledge and thought which Weber still kindles was shown in some of the papers at a musicological colloquium, and put into practice in excellently chosen programmes which included works from the most obscure corners of his oeuvre. One event which I was very sorry to miss was vividly described to me by one of the delightful Weber family who had gathered in Dresden to pay tribute to their ancestor. On Whit Sunday morning in the Hofkirche, as part of an Episcopal High Mass, Weber's E flat Mass was given liturgically with soloists, choir and orchestra and with the lovely Silbermann organ, very much as he himself must have heard it there in 1818. But this time, the people of Dresden were standing in packed ranks to hear as part of their Whitsun service the music of their honoured son.

yttelton

Blithe Spirit

by B. A. YOUNG

Blithe Spirit is one of the ays of Noël Coward's golden e (*Hay Fever* to *Present ughter*), after which, for my ase taste, he wrote almost thing for the stage worth ch attention. In spite of the genious novelties of the plot, stands up rather less well than me of the other pieces of that eriod; the laughter to be exacted from two ghostly characrs who are visible and audible some people but not to others ns thin once the trick has been esented, and apart from adame Arcati the medium, the re characters are not intrinsicly very interesting.

A fairly funny play, though, ce it gets going (and my goodss, doesn't it take a time to t going, almost as long as *The ay of the World*). If you fort that Charles Condomine's o wives both appear as ghosts, e play reveals itself as a conational triangle in which the st wife Elvira turns up to rag r husband about his second fe Ruth and has the tables rned on her when she essays a pernatural coup to win him ck.

I get the impression that in recting it Harold Pinter has liberately gone for a nonward effect. Coward's dialogue arkles with overtones, but the nversation on the Lyttelton age sounds like plain drawingom chat. Now and then the erlones sound: "Anything interesting in The Times?" "Don't e silly, Charles" got a round f applause like Maggie Smith's mortal "This haddock's disusting!" all those years ago.

To some extent the lack of ntact between players and dience which I sensed may ve been due to the fact that e production is intended for the Olivier, and at the Lyttelton Eileen Diss's charming bad-taste set stands on an island a little way back from the proscenium.

Richard Johnson makes Charles a very ordinary man, a man to whom things happen rather than one to make things happen. The bad taste in the furniture and pictures seems to have been his doing, for when Coward writes (after Ruth's death) that he is "in deepest mourning" he dresses in a crimson dinner-jacket with a wide mourning-band round each sleeve.

Ruth alive, as played by Rowena Cooper, is a pretty average affluent Home Counties wife, and the author allows her little fun until after she has killed herself in the car that Elvira's ghost has been tampering with. Even then her best scene comes when she is invisible to all, even to us. Elvira has a much livelier time of things, and Maria Aitken, spectre-grey from head to foot, makes the best of her. (Ruth, after death, retains too much sense of fashion; her jacket is absolutely the wrong shade for a ghost.)

The big comedy part is Madame Arcati's, and there again I sensed too much deliberate refuge from the familiar pattern. Elizabeth Spriggs speaks that hearty dialogue ("Nothing for it but for me to go into a trance") in an unexpectedly ladylike voice. I can't help feeling that Coward wrote the dialogue as he did because a hearty person was the kind of person he wanted.

For all my reservations, though, this is a funny play; perhaps the production will get funnier when the company has played itself in a while.

Wigmore Hall

Philip Fowke

by DOMINIC GILL

Philip Fowke is a young pianist (b.1950) with strong hands and a strong, positive, if not yet completely focused, musical personality. He began his recital on Thursday evening with Beethoven's Les Adieux sonata op.81a—taking the introduction at a true adagio, breathing it full of subtle lights and colours, shading the opening pages with plenty of pointful voice-leading and exceptionally clear and sensitive pedalling.

It was an impressive beginning, of a directness, simplicity and clarity which Fowke never quite managed to sustain, or repeat again. His habit of pausing just before an emphatic note or chord—used to good effect at first in the first movement on certain key sforzandi—was overused elsewhere, turned quickly to mannerism. His reading of the slow movement was pretty, very free and lyrical; but failed to convince us that the pathos of Beethoven's marvellous andante is actually deepened by such liberal treatment of note-values.

In Schubert's Wanderer Fantasy, there was the same tendency to spoil a strong, firm gesture with exaggerated mannerism—notably an infuriating Arrau-like habit of introducing huge ritardandi at phrase ends so often that the device soon looses its expressive function, becomes merely kitsch. In the finale, too, Fowke chose to indulge in a number of positively Cherkasskian eccentricities of phrase, rhythm and voice, without having quite the musical wit, or indeed generally the Cherkasskian alchemical powers, to give them proper character and direction. A performance, technically speaking, of great promise—but as yet still self-conscious, unformed.

He completed his programme with the eight Preludes op. 131 of Edmund Rubbra—a likeable, not unsubstantial set of wistful miniatures; and John McCabe's *Fantasy on a theme of Liszt* (what theme?)—a flamboyant doodle, dispersed the length and breadth of the keyboard, of no discernible substance at all. Fowke found his best form in two pieces of a style, and from a period, which (at a guess) engage him most keenly: the little Glinka-Balakirev *l'Alouette*, and Balakirev's *Islamey*, both splendid performances, perfumed with entirely authentic, and in *Islamey* very exciting, grand-romantic sentiment.

Covent Garden

Royal Ballet School

by CLEMENT CRISP

This year the Royal Ballet School's traditional matinée is no more, nor yet the supplementary performances at Richmond and Holland Park, nor the White Lodge regiment of young sparks in country dances, which I miss very much. Inflation and the fairy gold in our pockets are probably to blame, but the compensation was Thursday evening's programme at the Opera House. *Coppélia* was the chosen display piece, ideal for getting most of the senior students on stage as Galician peasants and dolls and participants in the last act divertissement. And all very neat and well drilled and pleasing to see.

For the three principals matters are rather more serious. The very real demands of sustaining characterisation through three acts, of accepting responsibility for a big ballet, are no light burden for young shoulders, and Susan Lucas, Stephen Sheriff and David Bintley deserve our respect for acquitting themselves with such assurance. Miss Lucas, delicately boned and pretty, is a sweet, tender Swanilda. Hers is an interpretation more of promise than of fully realised abilities, but the physical material—nice legs and feet, a light easy style—are good auguries for the future. She was, I would hazard, somewhat overawed by the occasion, but at her best, in the ear of corn test and when fooling old Coppélius, she played and danced most engagingly.

Stephen Sheriff provides a natural, buoyant charm for Franz—that shadowy role—and fills the character with a good deal of youthful humour. His solos went well; a quick thrust to the movement and easy phrasing give the variations a clean physical shape. And with David Bintley's Coppélius unstinted admiration for a presentation that is exceptionally well-rounded. He plays the part for doddering humour (shades of Steptoe *père*), but manages too the moments when the old visionary's dreams of creating life take possession of him. It is rare to find a student dancer so well able to sustain a reading; I have seen professionals less compelling, and less convincing. Mr. Bintley is a real discovery.

Among the many eager young artists, let me note one other performance: that of Deirdre Eyden as Aurora in which there was an appealing lightness and fluency. The solo can often look anonymous; Miss Eyden gave it something attractively her own.

New chairman of the Victorian Society

Sir Nikolaus Pevsner, who has een chairman of the Victorian ociety since 1963, has announced his resignation. He will e succeeded by Professor H. J. Dyos, Professor of Urban History t Leicester University, who is a member of the editorial committee of The London Journal and also the editor of *The Victorian* ...ies.

'Sparrowfall' for Hampstead

Mark Wing-Davey, seen recently as the film director in the television series *The Glittering Prizes*, and Michael Kitchen will open in *Sparrowfall*, a thriller by Alan Drury, at the Hampstead Theatre, on Monday, July 5, for a four-week season. Previews begin on Thursday, July 1.

John Tooley's Covent Garden appointment extended

The Board of directors of the Royal Opera House, Covent Garden, announce that they have agreed with Mr. John Tooley that his term of appointment as general administrator of the Royal Opera House should be extended to August 31, 1982. The agreement provides for discussion towards the end of the period of the possibility of a further extension of the appointment by mutual agreement.

2,000 schoolchildren in music festival

Sixty-three school music groups will be taking part in the Sixth National Festival of Music for Youth at the Fairfield Halls, Croydon, from July 16 to 18.

The three day festival, involving over 2,000 young musicians, promises to be an exciting event with sections for chamber and recorded ensembles, orchestral and jazz groups, wind and brass bands, as well as instrumental ensembles.

Changes to State Board urged

Financial Times Reporter

A MAJOR revision of the guidelines governing the operation of the National Enterprise Board is called for to-day by the Association of British Chambers of Commerce.

The association says that if the Board is to fulfil the ambitions of its originators and make "a real contribution to the regeneration of British industry," changes are urgently needed.

Mr. Eric Varley, Secretary for Industry, has been told of the association's reservations in a document which criticises several aspects of the draft guidelines published by the Minister's own department.

The criticisms come only a few days after the powerful, all-party House of Commons Public Accounts Committee demanded the right to scrutinise all public money granted to industry by the Board.

One of the least expected recommendations of the association is that the Board should be required to nominate its own directors to companies in which it makes a substantial investment. There is no such provision in the current draft of the guidelines.

Sidelines

It would be wrong, where companies are in receipt of public funds because of possibly unrealistic political ambitions for their future, for the Government then to sit on the sidelines "without providing constructive, on-the-spot advice" to the Board on how those public funds should be used to achieve the political objectives behind them.

The association says that it is equally concerned at the absence of any criteria for the Board to dispose of its holdings when its objectives in terms of restructuring have been achieved.

Without them, "the Board will be revealed as an instrument with which to achieve the permanent nationalisation of the means of production, distribution and exchange without the safeguard of an individual Act of Parliament for each industry concerned."

Pension fund leaders fight to alter State proposals

BY QUENTIN GUIRDHAM

THE NATIONAL Association of Pension Funds will make strong representations to the Government in an attempt to alter the shape of legislation based on last week's White Paper on occupational pension schemes.

The association, representing the bulk of occupational pension schemes and including the nationalised industry funds, regards the proposed legislation as unnecessary, inequitable and inflationary.

It will make its preliminary points at a meeting this week with Mr. Stanley Orme, Minister of State at the Department of Health and Social Security.

A fuller memorandum will be presented next month during the period Mr. Orme has set aside for consultation before introducing legislation in the next Parliamentary session.

On what is probably the most contentious point in the Government's plans — granting trade unions a statutory right to 50 per cent. representation on the governing bodies of pension funds — the association says that this would 'disfranchise a significant proportion of scheme members" and will be "greatly resented" by them.

"Participation should be through membership of the scheme (whether union members or not) and only then can all members feel that they are truly represented and that their best interests servd by th trustees on similar bodies."

Angered

The association has not had time to hold a poll among its members. But from initial responses to the White Paper, it says that many funds are angry at the prospect of trade union officials, who are not mmebers of a particular pension scheme, posibly having a major say in the investment of funds while non-union members of the scheme would have no representation.

The association at present is not going so far as to say that union officials might take investment decisions which did not consider the financial interests of scheme members.

Disagreement on this point of principle is only one of four basic objections which the association has to the White Paper.

It "greatly regrets" that the Government has rejected the Occupational Pensions Board's advice that on the question of participation and providing information, it would be best to rely, at least initially, on a code of good practice.

"Many pension schemes already have member participation and in these schemes systems have been developed to fit in with the particular structure of the scheme and company concerned.

"This variety of practice is highly desirable and legislation would destroy the flexibility that is essential to such arrangements to operate successfully in practice."

On the short-term administrative burden imposed, the association claims that fund managers and their advisers are already fully engaged in dealing with the contracting-out option and other features of the Social Security Pensions Act of 1975 and that "any additional burden would be more than many could bear."

The proposed legislation, "in addition to the plethora of pension legislation introduced in recent years," will deter many employers without occupational pension schemes from introducing them.

"It would be preferable if the Government were more concerned with employees not in occupational pension schemes than with imposing additional obligations on existing ones."

No comment

The long-term administrative burden is also certain to increase it believes. The White Paper makes no comment on this, but the implications are "clearly counter counter-inflationary."

The meeting of the association officials with Mr. Orme was fixed some time back as an introductory step after the Minister's move from the Northern Ireland office in April on the death of Mr. Brian O'Malley.

Further talks on Price Code

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

INDUSTRY will be given 28 days to make representations on revisions in the Price Code which are likely to be published on Wednesday.

Although some minor amendments in the consultative document may be made after talks, it is unlikely that there will be major changes. So the document will give industry a clear picture of the price control framework within which it will be required to work for the next 12 months.

The package, which is likely to add about 1 per cent. to the Retail Prices Index and boost corporate profitability by more than £1bn., comes after months of negotiations between industry and the Department of Prices.

Release of the proposals will coincide with a Government White Paper setting out the 4½ per cent. pay policy which was overwhelmingly accepted this month by the special TUC congress.

The prices package is expected to include an improvement in the present investment relief scheme, a reduction in the productivity deduction, the introduction of some measure of inflation accounting for calculating both the value of stocks and assets, and some formula aimed at allowing companies to retain some of the benefits of increased efficiency and higher output in their profits.

A number of technical changes are also likely. These will aim at removing some of the uncertainties in the code while some of the safety nets may also be improved.

At present the investment relief scheme allows companies to pass on 20 per cent. of their investment expenditure in higher prices and make a similar adjustment to their reference levels.

Stocks

The Confederation of British Industry had asked the Government to increase this figure to 100 per cent. but it seems likely that the figure will be nearer 30 per cent. The list of items qualifying for such relief could also be extended to cover shop premises, thus giving retailers a considerable boost.

The CBI also proposed that increases in working capital requirements should be included in the investment relief scheme but the Department of Prices has put forward a number of objections to this idea—not least that it would be, too expensive if introduced at the same time as relief for stock appreciation.

In this situation, it seems more likely that measures designed to offset the effect of inflation on raw material costs will be concentrated on changes to the way in which stocks are evaluated under the code rather than on the working capital front.

The idea seems to be that companies will be allowed to base their applications for price rises on the replacement cost of raw materials rather than, as at present, historic costs.

The other main change expected is a provision to allow companies to retain in their profits some of the benefits of increased efficiency and output. The CBI proposed a formula which combined input costing on labour with output costing on raw materials.

At the same time companies would have been allowed to assume a constant level of turnover for the purpose of allocating certain fixed costs per unit of sales.

The Department of Prices has had strong reservations throughout the discussions over the possibility of introducing even an element of input costing to the code and it seems more likely that the main plank of the eventual amendment will be the idea of assuring a constant level of turnover for calculating costs per unit of sales.

Other technical changes may be made to the code to deal with situations where a company's profit performance is altered as a result of either a takeover or a change in profit mix.

At present, the Price Commission's discretion in this area is very limited and industry has urged the Department to make it clear in the code that the commission has an obligation to take such changes into account.

It is also likely that the way in which companies are categorised under the code will be changed so as to remove the obligation on smaller companies to justify price rises to the commission.

Drop in consumer confidence worst for five years

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

PEOPLE were feeling worse off at the beginning of this month than at any point since June, 1971, according to the British Market Research Bureau's latest survey of financial expectations.

Consumers' confidence in their future prospects also took a sharp plunge, reversing the more optimistic picture seen last month. The proportion of people thinking it was a good time to buy consumer durables also fell from the very high level recorded in May.

When asked: "Is your family worse or better off compared to year ago?" 28 per cent. more respondents among all adults said that they were worse off than those who said that their incomes had kept up with inflation.

Last month, those who felt that their incomes had not kept pace with prices outweighed those who felt better off compared to a year ago by 26 per cent. The June figure continues the downward trend which began last autumn.

Professionals

The decline was even more marked among professionals and salaried men, with a negative balance of −29 per cent. feeling worse off compared to a year ago in June against −20 per cent. in May.

On a six-month moving average basis, the index for past prosperity for all adults now stands at −22 per cent.—its lowest figure since the survey was started in 1970.

The monthly figure of −28 per cent. recorded for all adults in June is the second worst monthly figure ever, and was only a slight improvement on June, 1971—the worst single month covered by the survey.

The drop in consumers' confidence about the future means that once again the pessimists are outweighing the optimists. Last month, consumer confidence rose to its highest level for four years, with the optimists outweighing the pessimists among all adults by 7 per cent., and by 8 per cent. among ABC1 men.

This more optimistic outlook seemed based largely on the Budget measures and on the imminence of a pay deal with the unions. This month, fears about rising prices made people more apprehensive about the future.

As a result, this month's figure has fallen back to the April level, with those expecting things to get worse outnumbering those who thought the situation would improve by 11 per cent. among all adults.

Professional men took an even gloomier view about the future, the pessimists outweighing the optimists among ABC1 men by 15 per cent.

Moving average

The six-month moving average figure for future confidence, however, is still improving, reflecting the fact that though confidence fell this month, it is still higher than the very low level recorded last December.

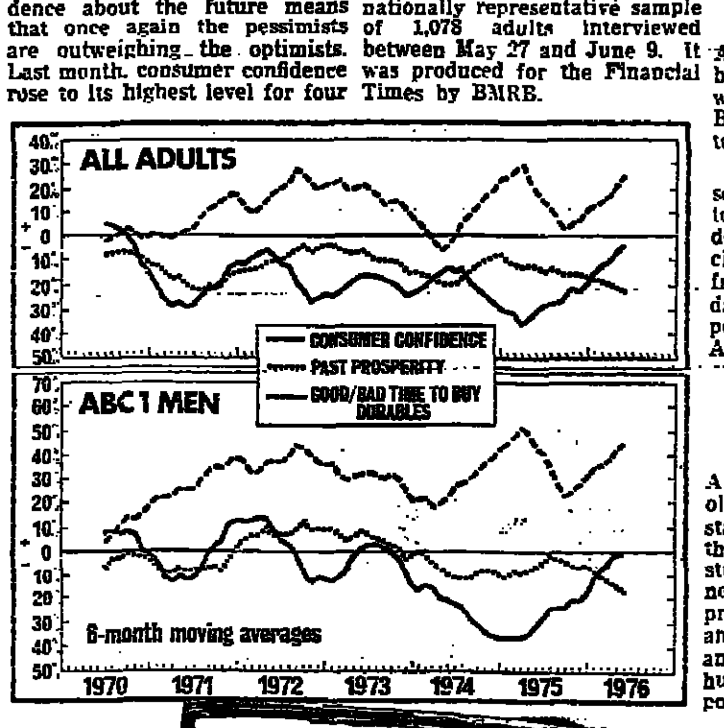
The proportion of respondents thinking that it was a good time to make major purchases for the house also fell in this month from the high level after the Budget in May.

Among all adults, 24 per cent. more thought it was a good time to buy consumer durables than those who did not compared to 32 per cent. in May.

The proportion of ABC1 men in favour of buying things for the house also fell this month, but the six-month moving average figure for both groups is still improving.

The six-month index for all adults now stands at +24.7 per cent. and the index for ABC1 men has reached +43.8 per cent.

The survey was based on a nationally representative sample of 1,078 adults interviewed between May 27 and June 9. It was produced for the Financial Times by BMRB.



Row in Ulster loyalist ranks will come to a head today

BY OUR OWN CORRESPONDENT

A ROW within Ulster Loyalist ranks will come to a head in Belfast to-day when members of the United Ulster Unionist Coalition discuss talks that have been taking place between Official Unionists and members of the Social Democratic and Labour Party.

It is likely, after a week-end of accusation and counter-accusation — notably between the Rev. Ian Paisley, leader of the Democratic Unionists, who was opposed to talks, and the Rev. Martin Smyth, head of the Orange Order, who was directly involved in the meeting — that the Coalition will be forced to vote on the controversial issue.

Attempts may be made to put a permanent ban on the talks, but if this happens the Official Unionists are determined to carry on.

The attitude of Mr. Paisley and of Mr. Ernest Baird, leader of the United Ulster Unionists, seems to be that, if the Official Unionists want to continue the talks, they will have to do so outside the Coalition.

Coolness remains

This leaves the Official Unionist leader, Mr. Harry West, in the delicate position of trying to reassert his party's independence of Mr. Paisley, although he personally is not in favour of power-sharing.

If a successful attempt is made to gloss over the differences with a bland statement, the reality remains that the distinct coolness between Coalition members on power-sharing puts a question mark over its future; and the question is not if, but when, the rather quirky partnership will sever.

Four people died, meanwhile, in the week-end incidents. Three armed men attacked Walker's Bar, near Templepatrick, shooting dead Mrs. Ruby Kidd, aged 28, her brother Frank Walker, 17, and a cousin, Mr. Joe McBride, 54, who was standing in the hallway of the premises.

In another incident, Daniel Paul Mackin, 20, was dumped from a car on waste ground near Brookvale Street, Belfast, with extensive stab wounds in his head and chest. He died later in the Royal Victoria Hospital. The week-end killings brought the Northern Ireland death toll to 1,559.

Grocery index is down 1.7%

BY DONALD MACLEAN

THE FINANCIAL TIMES Grocery Prices Index fell this month for the first time since September, losing 3.96 points, or about 1.7 per cent., to 222.82. The index, nevertheless, is at a higher level than any month except May.

Movements in the index continue their tendency to be dominated by fluctuations in the price of potatoes, and well over half of the reduction in the index is accounted for by the recent fall in potato prices.

The overall fruit and vegetable section of the index, indeed, shows a fall of £14.75—or about 11 per cent.—which is greater than the overall shopping bill reduction of £12.29.

Lower meat prices make a modest contribution to the lowering of the index, but the effect of this is broadly offset by higher prices in the dairy category, which is seen in spite of reduced egg prices, but with items such as butter supporting the shopping bill.

Higher prices for preserves kept the bill up to some extent.

FINANCIAL TIMES SHOPPING BASKET

	June, 1976	May, 1976
Dairy Produce	110.62	108.97
Sugar, Tea, Coffee, Soft Drinks	48.56	49.03
Bread, Flour, Cereals	68.40	68.21
Preserves and Dry Groceries	24.07	22.29
Sauces and Pickles	12.19	12.26
Canned goods	40.93	40.25
Frozen foods	34.73	34.45
Meat, Bacon, etc. (fresh)	151.03	152.78
Fruit and Vegetables	119.36	134.11
Non-Foods	48.35	47.89
Total	658.55	670.25

INDEX

1971: Feb. 100; Mar. 101.09; April 102.73; May 105.75; June 108.00; July 107.24; Aug. 105.40; Sept. 105.26; Oct. 104.35; Nov. 105.48; Dec. 108.26.

1972: Jan. 109.18; Feb. 109.10; Mar. 109.24; April 108.04; May 109.36; June 115.97; July 111.97; Aug. 113.40; Sept. 112.14; Oct. 113.15; Nov. 11: 114.48; Nov. 18: 114.49; Nov. 25: 114.72; Dec. 2: 114.72; Dec. 9: 114.75; Dec. 16: 115.77.

1973: Jan. 117.56; Feb. 119.25; Mar. 120.53; April 123.80; May 125.57; June 128.81; July 127.64; Aug. 126.59; Sept. 129.39; Oct. 138.83; Nov. 135.83; Dec. 138.26.

1974: Jan. 141.41; Feb. 141.52; Mar. 142.66; April 8: 143.23; April 29: 142.64; May 145.17; June 147.97; July 146.22; Aug. 145.25; Sept. 147.6; Oct. 150.5; Nov. 156.39; Dec. 159.15.

1975: Jan. 162.84; Feb. 167.77; Mar. 173.50; April 178.39; May 183.41; June 193.02; July 188.45; Aug. 189.23; Sept. 186.64; Oct. 189.79; Nov. 194.78; Dec. 201.90.

1976: Jan. 208.33; Feb. 211.81; Mar. 216.60; April 222.43; May 226.78; June 222.82.

The index is based on the prices paid by 11 shoppers around the country. The shopping was done in supermarkets and independent grocers.

New mail link with Australia

A BUSINESS mail link, combining speed with reliability, will be available between Britain and Australia from to-day.

Items posted through the new service in London from Monday to Wednesday will generally be delivered in the main Australian cities and towns in 48 hours and from other areas of the U.K. a day later. Thursday and Friday postings will be delivered in Australia on Monday.

Poster winner

A POSTER designed by 11-year-old Edinburgh schoolboy, Alistair Cunnison, is to be used in the Health Education Council stop smoking campaign, starting next month. It won a Council prize in the BBC Nationwide anti-smoking poster competition and will appear this summer on hundreds of British Rail station poster sites.

Labour expects Devolution Bill majority

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT is prepared for a substantial revolt amon gits own backbenchers over the Devolution Bill, but is still confident of a Commons majority of at least 15.

The Bill, setting up legislative assemblies for Scotland and Wales, will be the centrepiece of the Parliamentary programme in the next session, taking up half the time available to the Government.

Tory pledge

Ministers have calculated that as many as 30 Labour MPs will refuse to vote for the measure, but at least half of these will be persuaded not to defy a three-line whip and will abstain.

The Conservatives are pledged to vote against the Bill, but with some Scottish MPs pressing Mrs. Margaret Thatcher to agree to a free vote, the Government could pick up a few defectors.

But the Government is relying on the minority parties to make up its numbers. The 13 Liberals and 14 Scottish and Welsh Nationalists will vote for the Bill, although they will try to strengthen it with their own amendments.

And Ministers are hoping for backing from a majority of the Ulster Unionists who, they believe, can hardly vote against devolution for Scotland and Wales while arguing for the return of government to Stormont for Northern Ireland.

With Labour's majority of 30 over the Tories, the arithmetic adds up to a 15-vote win for supporters of the Bill.

The Government is not taking seriously the threat that 70 Labour members would abstain if a guillotine was used on the devolution debate. Ministers think the MPs who signed the letter to Mr. Michael Foot, Lord President of the Council, last week were misled by Mr. Tam Dalyell, organiser of the letter and a passionate anti-devolutionary

Guillotine pledge

Two days have been set aside for the second reading in November, and 28 days for the committee stage which will be taken on the floor of the House. A guillotine motion will have to be used to prevent the Bill being obstructed by a few individuals.

The Government should be able to rely on boredom affecting English MPs forced to discuss Scottish and Welsh affairs for four weeks to get the guillotine through.

If the Bill reaches the Statute Book by next summer, the first assembly elections would be held in the autumn of 1977 or the spring of 1978.

Mr. Foot has already announced extra powers for the Scottish Assembly beyond those given in last year's White Paper. A further announcement, covering universities, law and finance, has been promised for next month.

The Government has not decided yet what it is going to say, and finance seems to be the sticking point.

The White Paper proposal, that the Assembly should be able to raise extra cash above the block grant from Westminster by a levy on the rates, is extremely unpopular.

Hong Kong textile workers 'poorly paid'

BY RHYS DAVID

THE SUCCESS of Hong Kong manufacturers in penetrating the U.K. clothing market is due to low wages and poor social condition in the colony says a report prepared by the National Union of Tailors and Garment Workers.

The report was submitted to a study group set up by the Foreign and Commonwealth Office under Professor Mark Turner of Cambridge University to look at Hong Kong labour relations.

The union claims that there is no evidence that the damage suffered by the U.K. clothing industry as a result of low cost imports is due to manufacturing competitiveness or superiority on the part of Hong Kong-based concerns.

Instead the U.K. is being subjected to totally unfair competition with wage levels as low as a quarter or one-third of those in the British clothing industry, and with few accompanying social benefits.

It urges the British trade union movement to press for greater democratic representation for workers in the administration of the colony

Altman brokers move over to A. J. Bekhor

BY MICHAEL LAFFERTY

TWO FORMER directors and four associate members of suspended stockbrokers, Lewis Altman and Company, have either left the firm or are in the process of leaving to join A. J. Bekhor, another London broking concern.

Lewis Altman and Company was suspended from trading by the Stock Exchange Council in April pending clarification of its position following the Treasury's revocation of certain permissions granted to it under the Exchange Control Act, 1947.

One of the former Altman directors, Mr. Anthony Smith, has already joined Bekhor and another, Mr. Philip Wray, is due to joint that firm on Thursday, subject to formal Stock Exchange approval of the move. The six former Altman brokers will be associate members of Bekhor.

The two firms are not connected, although Mr. Lewis Altman, Altman's senior partner, worked for Bekhor in the 1930s.

Asbestos check on trains

BRITISH RAIL is checking insulation containing blue asbestos on 26 sets of multiple unit vehicles used on the Eastern Region.

But it says that its standards for maintaining engines and rolling stock in which blue asbestos has been used are four times as stringent as those recommended by the Government.

No equipment introduced since 1967 contained any of the asbestos which is suspected of causing some forms of cancer.

The present check comes after reports from staff at Clacton, Essex, that some insulation may have cracked and produced dust.

Before 1967 blue asbestos was used on interior metal surfaces as acoustic and thermal insulation.

British Rail said that where maintenance work was done the insulation was repaired under safe, wet conditions and allowed to harden.

It was as aware as any other industry of the possible health dangers and had "the most stringent regulations for servicing rolling stock."

The present checks did not imply that its national policy on checking the condition of blue asbestos insulation had to be changed.

Parliament this week

COMMONS

TO-DAY: Debate on child benefits.

TO-MORROW: Motion by the Leader of the Opposition on the Aircraft and Shipbuilding Industries Bill.

WEDNESDAY and THURSDAY: Education Bill, remaining stages.

FRIDAY: Motions on Northern Ireland emergency powers orders.

LORDS

TO-DAY: Explosives (Age of Purchase) Bill, third reading; Weights and Measures (No. 2) Bill, committee; Food and Drugs (Control of Food Premises) Bill, committee; National Health Service (Vocational Training) Bill committee.

TO-MORROW: Agriculture (Miscellaneous Provisions) Bill report; Local Government (Miscellaneous Provisions) Bill, committee; New Towns (Amendment) Bill; second reading.

WEDNESDAY: Royal County of Berkshire (Public Entertainment) Provision Order Confirmation Bill, second reading; Police Bill, committee; Armed Forces Bill, second reading.

THURSDAY: Theatre Trust Bill, third reading; Police Bill, committee; debate on the 35th report of the European Communities Committee on hallmarking and precious metals.

FRIDAY: Congenital Disabilities (Civil Liability) Bill, third reading; National Health Service (Vocational Training) Bill, third reading; Representation of the People (Armed Forces) committee; Dangerous Wild Animals Bill, committee: Divorce (Scotland) Bill, second reading.

COMMITTEES

TO-DAY: Expenditure: General Sub-committee — Developments in the Civil Service since the Fulton Report. Witnesses: Mr. Grebenik, Principal, Civil Service College: Mr. G. T. Morgan, Civil Service Commission.

TO-MORROW: Direct elections to the European Assembly. Witness: Sir Phillip Allen. Violence in the family. Witnesses: British Association of Social Workers; Association of Directors of Social Services.

WEDNESDAY: Expenditure: Environment Sub-committee—Planning procedures. Witnesses: Town and Country Planning Association.

COMMITTEE ON A PRIVATE BILL—UNOPPOSED BILLS

THURSDAY: Science and Technology: Science Sub-committee—Industry and Scientific Research. Witness: Secretary of State for Education and Science. Race Relations and Immigration: West Indian Community.

Private sector bank loans up

BY MICHAEL BLANDEN

BANK LOANS to the private sector in sterling showed a sharp rise in the three months [illegible] to mid-May, according to the latest figures published by the Bank of England [illegible]

Depreciation

[illegible]

Commerce chiefs back national water plan

Financial Times Reporter

THE LONDON Chamber of Commerce to-day supports plans for a National Water Authority [illegible]

A monopoly

[illegible]

Hydroblasting division set up

A HYDROBLASTING [illegible] has been set up by [illegible] (Industrial) Plant, of Bridgend, Glamorgan, part of the [illegible] Pollution Control group. [illegible]

Ex-oil chief leaves £1m

A FORMER oil company chief left nearly £1m. in his will published [illegible] the week-end. Baron [illegible], chairman of Shell Petroleum from 1946 [illegible] 1961, died in April aged [illegible] left most of his property to his widow and other relatives.

Sonicaid plans

SONICAID, supplier of medical electronic instruments, has brought forward plans for expanding in Livingston, West Lothian. [illegible] about 50 new jobs.

OVERSEAS NEWS

OAU hits at South Africa

ARAB and African foreign ministers yesterday called for the "unleashing of the armed struggle against South Africa" and sent a resolution containing the language to a drafting committee, UPI reports from Port Louis.

The resolution, put forward by ... at the annual meeting of the Organisation of African Unity (OAU), will form the basis of a final draft which will be presented to the continent's leaders when they meet here on July 2. Conference sources said it was expected to be unanimously approved.

It urged the 47 member states to give the two banned South African liberation movements—the Pan African Congress and the African National Congress—"maximum political, economic and military support."

Argentine debt renegotiated

THE Argentine economy minister, on his return from a 10-day tour of the U.S. and Canada, has announced that he had renegotiated the country's $9bn. foreign debt, AP-DJ reports from Buenos Aires.

"We have achieved the reopening of international finance for Argentina," the Minister, José Martinez de Hoz, said at a news conference. "We have re-established the credibility of Argentina."

He said during conversations in Washington with the International Monetary Fund, he reached an agreement with IMF officials to refinance at least ... of the debt that will fall due within the next six months. He said he couldn't reveal details of the agreement.

Argentine officials say that they successfully renegotiated $500m. of the debt two months ago, or a month after the military overthrew President Isabel Peron in a coup in March. Sr. Martinez de Hoz said that international financial circles have regained confidence in Argentina since the coup. He said the apparent recovery of the economy since the coup also resulted in triggered new trust in Argentina among U.S. and Canadian investors.

Reagan closes the gap in delegates

BY DAVID BELL

WASHINGTON, June 27.

AFTER a week-end marked by increasing bitterness between the two Republican Presidential contenders, Mr. Ronald Reagan is now closer than evere to President Ford in the crucial race for delegates to the party's August convention.

Estimates of the President's dwindling lead vary, but he is now only between 30 and 50 delegates ahead of Mr. Reagan and still almost 100 short of the 1,130 needed to win the nomination. One poll, conducted by the New York Times and CBS, puts Mr. Ford only 29 delegates ahead of Mr. Reagan this morning.

In Minnesota yesterday the Ford forces pushed through a last-minute rule change which gave Mr. Ford 17 out of the 18 available delegates, but profoundly antagonised the Reagan camp. The Reagan people took their revenge later in Idaho, New Mexico and Montana where, brushing aside Ford please for at least few token delegates, they took all 45 at stake. "The Ford people would not listen to us on Minnesota so from now on they are getting nothing from us." an angry Reagan campaign manager said.

There will now be a pause until July 10 when 34 more delegates are at stake in Colorado and North Dakota, both states where Mr. Reagan can be expected to do well. A week later Utah's 20 delegates may well also go to the former California governor, but the 35 in Connecticut on that day will probably go to Mr. Ford giving neither challenger a conclusive lead going into the convention, unless the uncommitted delegates come out for one or other contender between now and then.

Meanwhile, the liberal wing of the party gave a clear and important warning during yesterday's Republican National Committee meeting that it will not tolerate a Ford-Reagan ticket which is beginning to be much in vogue among some Republicans, anxious to re-unify the party after the damaging past few months. One of the leaders of the New York delegation, which was persuaded by Vice-President Rockefeller earlier this year to opt for Mr. Ford, said that if a Ford-Reagan ticket was a serious possibility his delegation might abstain in the first ballot. This is a threat that Mr. Ford cannot afford to ignore since much of his delegate strength comes from the North East, more liberal wing of the party which may well share this view.

Gierek gets 'mass support'

By Christopher Bobinski

WARSAW, June 27.

MASS meetings were held to-day in Poland in support of the Communist authorities which on Friday withdrew proposed food price rises in the face of widespread stoppages, sabotage and demonstrations.

The Polish Press Agency, PAP, to-day announced mass meetings in Olsztyn, Loma, Zielona, Gora Przemysl, and Suwalki, up to 35,000-strong, had been held to express support for the policy of the Party and Government. While they are provincial centres, none of them is major industrial towns. The news media are also broadcasting letters and telegrams for the support for the Polish Party First Secretary, Mr. Edward Gierek and the Premier Mr Piotr Jaroszewitz and also resolutions passed at shop floor meetings yesterday which stressed the fact that the leadership which went to the people with its proposals, gave evidence of "the new democratic style of directing the party and the nation, of consulting decisions important for all Poles."

The TV news broadcast last night, however, showed only one meeting in Lodz, evidently thinly attended. The resolutions at these meetings all condemn "hooligan elements" who attempted to disrupt the dialogue between the authorities and the nation.

The incidents officially mentioned are at Ursus tractor factory and in Radom, the provincial centre some 100 kilometres south east of Warsaw. In Radom it is reliably reported that several thousands of people demonstrated in the streets on Friday, damaging the Party's headquarters and shops on the way. While arrests were made the reaction of the authorities was muted.

Thus the pattern of Party policy which is now emerging is to act as if nothing went wrong and treat the several month delay in introducing new prices which the Premier called an "absolute necessity," as an expression of the new democratic style. At the moment, the only people who are being blamed are the demonstrators and this would suggest that no immediate changes in the Government are to be expected.

Reuter adds: A major problem facing the government is that Poland's 6m. farmers were due to get more money for their grain, meat and seeds under the scrapped package deal. Farmers have already been holding back sales of grain and other produce to State purchasers in a number of areas because open market prices are 50 per cent. or more higher.

Eanes move on Timor

BY HAMISH McDONALD

JAKARTA, June 27.

INTENSE speculation has begun here that Portugal may move to quietly recognise the Indonesian takeover of East Timor if General Antonio Ramalho Eanes becomes President in to-day's elections.

This follows the revelation that a close confident of General Eanes visited East Timor last Monday. The envoy, Air Force General Morais da Silva, talked with Indonesian officials on his way through.

He is reported to have announced in Lisbon on Friday that he had visited 23 Portuguese soldiers held by the pro-Indonesian East Timor provisional government and that an offer from the provisional government had been accepted.

This would lead to "calm" negotiations, General da Silva was quoted as saying. Speculation here is that Portugal may quietly acknowledge the Indonesian annexation by reopening diplomatic relations—severed last December—once Indonesia formally incorporates the territory.

Rhodesian opinion hardens

BY TONY HAWKINS

SALISBURY, June 27.

WHILE there has been no official reaction here yet to the possibility that the Kissinger-Vorster talks will result in new pressure on Mr. Ian Smith to talk with the African nationalists, there are clear signs of a hardening of white opinion.

Most of the Government MPs who spoke in Parliament last week reflected this shift to the Right with demands for the banning of the African National Council, the arrest on charges of treason of Mr. Joshua Nkomo leader of the domestic wing of the ANC) and Mr. Allan Savory, vice-president of the moderate opposition Rhodesia Party, and a more vigorous prosecution of the war both domestically and externally.

One senator even wanted anyone who advocates majority rule to be treated as a traitor while there were many calls for changes in Rhodesia's existing legislation on treason. The Speaker of the House of Assembly ruled that the term guerilla was out of order in Parliament and must not therefore be used.

African nationalist politicians here are concerned that Mr. Smith—harried by his Right wing—may accede to some of these demands, but they warned at the week-end that any such move would play into the hands of the so-called "third force" of nationalist guerillas operating from Mozambique and increasingly under the influence of President Machel.

The nationalists here are pinning their somewhat slim hopes for a resumption of talks on the Kissinger-Vorster discussions last week. They believe that the West as a whole, and South Africa and Zambia and Botswana in particular, are increasingly alarmed at the prospect of the Rhodesian nationalist leadership passing into the hands of the "third force," susceptible to the Marxist-oriented President Machel.

There is speculation that some of the more moderate African leaders will try at the organisation of African Unity meeting in Mauritius in the next two weeks to reunite the Muzorewa and Nkomo wings of the ANC. Bishop Muzorewa is scheduled to go to Mauritius and Mr. Nkomo's supporters here believe that he will do likewise. Such an effort to unite the feuding political leadership would be seen as an effort to outflank the "third force" which is running the war against the Whites.

The Nationalists here believe it is essential that talks resume soon. The longer the stalemate, they say, the greater the likelihood that the "third force" will take over the political leadership of the disunited nationalist movement. White politicians are far from convinced by this argument, saying that the high casualty rate suffered by the guerillas in the past two months (when they have lost 230 men) and the expected security force successes over the next few months as climatic and bush conditions start to favour the troops, may well discredit the guerilla leadership. Furthermore, there is growing evidence of internal dissension, economic chaos and famine in Mozambique itself and this could eventually reduce Mozambique's enthusiasm for the war.

This may turn out to be wishful thinking on the part of the whites, but it is clear from last week's Parliamentary debates and from the general mood of the whites, that there is no enthusiasm for moderation and concessions to black opinion at this stage. Against the background, this week's debate on the Quenet commission of inquiry into racial discrimination could be very important indeed.

Given the apparent shift to the Right, this week's debate is likely to see considerable criticism of the Quenet recommendations—especially those relating to land tenure (particularly in farming areas) and the suggested return to a common voters roll.

This may mean that Mr. Smith—who has so far merely said that the majority of the recommendations are acceptable—will be forced to give way on the major and more controversial ones.

Poland seeks $200m. U.S. food credit

WASHINGTON, June 27.

POLAND is seeking $200m. in U.S. Government credits to help finance its purchases of U.S. grains and other agricultural commodities in the year starting October 1, the U.S Agriculture Department reported. Poland has been a major recipient of Commodity Credit Corporation (CCC) credits to pay for its purchases of U.S. farm commodities in recent months. The CCC is an Agriculture Department financing agency. AP-DJ.

Agnelli calls for joint plan with Communists

MILAN, June 27.

FIAT chairman, Giovanni Agnelli has called for an agreement with the Communist Party on an emergency plan to solve Italy's economic crisis.

In an interview published today by the Milan newspaper Corriere Della Sera, Sig. Agnelli said the emergency plan, "including inevitably, policies of sacrafice and austerity," should be drawn up before Italy sought foreign aid. "Then it should be discussed with the opposition, that is also with the Communist Party, saying: This is what we think needs to be done and save the Italian economy—what do you think? And what are your conditions for supporting it?"

During the election campaign the Christian Democrats ruled out collaboration with the Communists in Government, but Sig Agnelli said the national emergency required all parties to be realistic and to "drop certain prejudices." The Communists, for example, should drop their claim to be brought into government, he said. Reuter

Bullock team to see Schmidt

BONN, June 27.

THE Bullock Committee studying the question of industrial democracy in Britain is to take part in this week's meeting between Herr Helmut Schmidt, the West German Chancellor, Mr. James Callaghan, the British Prime Minister, and the foreign ministers of the two countries.

The committee, which is currently examining West Germany's well-developed system of industrial democracy, will join the heads of government in Bonn on Wednesday evening after they have finished their own discussions.

In its election campaign for the general election in October Chancellor Schmidt's party, the Social Democrats, has adopted the slogan "further work on a model Germany." In discussing the German model, Herr Schmidt has often stressed the importance of worker co-determination and of responsible union's to Germany's success. On Wednesday the Chancellor who has conveyed his disapproval of British industrial relations in the past, will himself be able to present this aspect of model Germany to Lord Bullock's team.

Neto says Angola under foreign attack

BY JANE BERGEROL

LUANDA, June 27.

PRESIDENT Agostinho Neto to-day warned of continuing "external attempts" against Angola's territorial integrity.

The Angolan President said "in the north, in the south and also I think in the east, there are enemy troops encircling and helping to infiltrate enemies into our country." Angola's borders with Zaire, Zambia and Namibia are reportedly still threatened by residual FNLA and Unita forces which, the President suggested are continuing to benefit from support from the Zaire and Zambian authorities and, in the south, from South Africa.

President Neto also suggested the United States was at least partly responsible. Stating that military forces were gathering in neighbouring countries and despatching armed men into Angola, President Neto said "perhaps this fact helps us understand certain demands orchestrated from Washington"—an apparent reference both to Dr. Kissinger's demands for a complete Cuban troop withdrawal from Angola, and to the U.S. refusal to recognise President Neto's Government until such time as this withdrawal has been effected.

The Angolan President also strongly criticised the American veto last week in the Security Council, against Angola's membership of the UN. In response to the American statement that the veto came because of the Cuban military presence in Angola, President Neto said "nobody has the right to tell us who can enter or leave our country as the U.S. is trying to do. We Angolans are not going to cut off relations with Cuba because of America's desires. On the contrary we are going to strengthen our friendly relations with Cuba."

The Angolan president promised details shortly of enemy action in neighbouring countries. A particularly tense situation appears to be building up along the northern and Cabinda border with Zaire. Reports reaching Luanda indicate FNLA troops are still being allowed to retain camps in Zaire, and that there have been more attacks on the Cabinda enclave. During the hearings of the trial of 13 British and American mercenaries captured with FNLA in northern Angola, the "people's prosecutor"—who is also head of the party's foreign relations department—singled out the Zaire government's responsibility in the mercenary operation and stated President Mobutu Sese Seko was one of the major culprits "absent from the dock."

In principle, following February's Brazzaville summit accords, a new meeting of the Zaire-Angola mixed commission on normalising relations is due to take place shortly. Whether Angola will continue to try to solve the continuing problems with Zaire through such regular diplomatic channels remains to be seen.

Meanwhile, the mercenary trial resumes to-morrow afternoon, when the court reconvenes to pass the verdict against the 13 mercenaries in the dock.

Although the "people's prosecutor" has demanded the death sentence against all 13, it is thought likely that differentiated sentences will be passed against the men to reflect their varying individual crimes. Only two, "Colonel" Callan" and Gordon McKenzie face murder charges.

Algerians vote on charter

By Eitene Furness

ALGIERS, June 27.

ALMOST 6m. Algerians were called on to vote in a referendum for a new national charter to-day Up to 95 per cent. participation was reported from some country districts where voting took place on Saturday, but were considerably lower in the big cities with some Algiers districts reporting only 10 per cent. at noon on Sunday.

Yes bulletins are green, the sacred Moslem colour and No are yellowish buff. Very few Noes are expected. There are a great many new voters in this referendum as the voting age in Algeria is now 18. Fewer women than men are participating and very few young girls.

Islam and socialism are the two pillars of the Charter and Algerian socialism is specific rather than classic. No mention is made of dictatorship of the proletariat and Islam is still the state religion. The Charter reaffirms Algerian attachment to the Third World and non-aligned countries and its support for national liberation movements.

Whale quota

THE International Whaling Commission (IWC) has agreed to reduce catch quotas for next year and the Canadian Commissioner said he is happy with the new limits, AP-DJ reports from London.

The 18-member countries agreed at their five-day meeting to reduce the numbers of most species that can be killed in the coming year and proposed particularly large cuts in the quotas for sperm whales.

Building and Civil Engineering

£5m. housing work for Tarmac

FOUR contracts totalling nearly £5m. have been won by Tarmac Construction. Awarded by three metropolitan boroughs in the West Midlands they involve local authority housing and modernisation. The biggest is a scheme worth nearly £1¾m. for modernising 278 homes at Low Hill Wolverhampton—the fourth of its kind to be secured by Tarmac in that area. Work is expected to be completed by next spring.

Wolverhampton Metropolitan Borough has also placed with Tarmac another major modernisation scheme at the Lunt worth more than £1.15m. This covers 216 council dwellings.

Both Low Hill and the Lunt involve extensive modernisation including installing new bathrooms and kitchens, partial central heating with night storage radiators, wiring and plumbing.

In addition, the two locations will be given an environmental facelift, with landscaping and re-turfing of front gardens and greens, new fencing and walling and tree-planting.

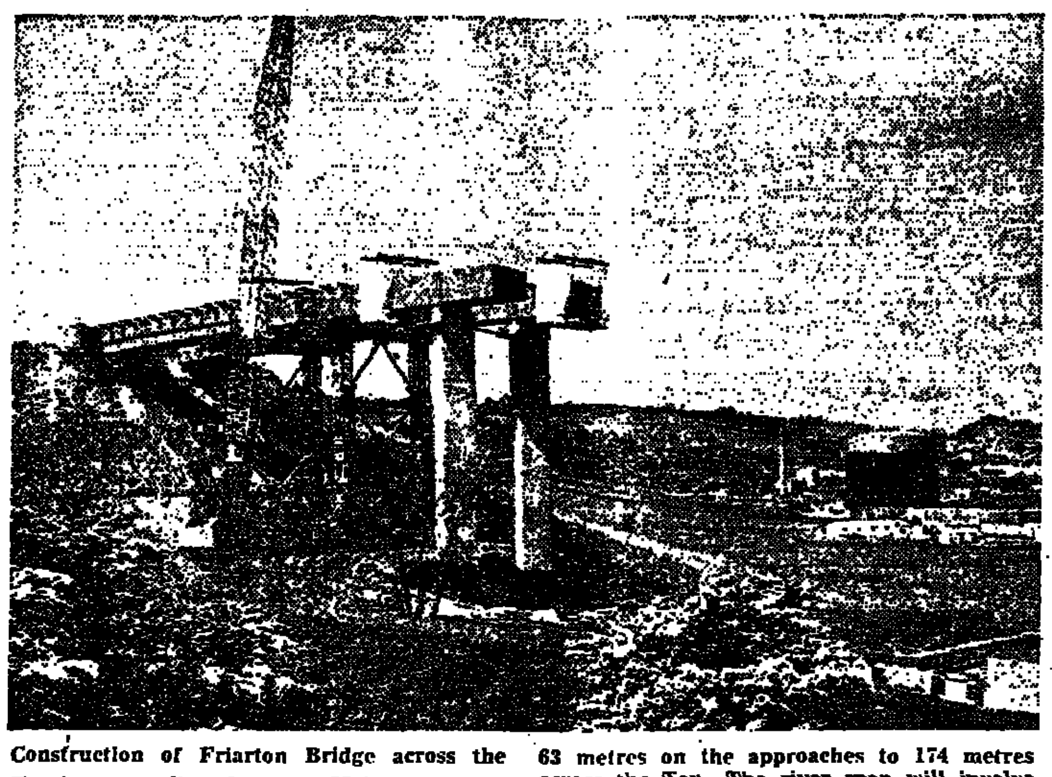
At Sedgeley Tarmac is starting a 20-month £1¼m. contract to build 122 council dwellings for Dudley Metropolitan Borough. The development, covering three sites at Sedgley Hall Farm, involves 89 three-bedroom houses, 13 one-bedroom bungalows for elderly couples and 20 one-bedroom flats.

Another construction contract has been awarded by Walsall Metropolitan Borough. This is a scheme worth over £660,000 for 75 homes in Brewer Street.

£5m. homes in Camden

THE LONDON Borough of Camden has awarded a contract worth over £5m. to Holland, Hannen & Cubitts Construction (London) for the initial stage of its two-phase Maiden Lane development.

This first phase includes 225 houses, maisonettes and flats, four shops, a community centre, a district heating scheme, and underground parking. For the flat and maisonette blocks, Cubitts will use mainly in situ reinforced concrete construction with white self-finish render externally, while the houses will be of traditional brick and block.



Construction of Friarton Bridge across the Tay is now well under way. Main contractor, The Cleveland Bridge and Engineering Company, has begun erection of the first of the 50 large box girders required, some weighing 70 tonnes. The boxes are successively lifted in pairs and welded to one another in the air while supported on temporary towers. Spans will vary from 63 metres on the approaches to 174 metres across the Tay. The river span will involve floating the steel boxes on a pontoon and lifting them by purpose-made cranes from the partly completed bridge on either side. The contract worth over £6m. is being carried out for the Scottish Development Department. Consulting engineers are Freeman Fox and Partners.

Six miles of by-passes

BOTH THE Aldersbury by-pass in Wiltshire and the Bratley Diversion in Hampshire are to be constructed by Southern Counties Construction Company under contracts worth together £3½m.

The £2m. Aldersbury operation is to include 2½ miles of dual carriageway, three underbridges, one overbridge and a cattle creep.

Work at Bratley calls for 1.2 miles of new dual carriageways plus just over a mile of single carriageway with a three span underbridge, cattle creep and two culverts.

£1.8m. worth for Wood

LARGEST of three contracts worth about £1.8m. won by W. H. Wood (Hastings) is at Skinner Street, Chatham for the Medway Borough Council. Contract value is £999,827. Work has started on the 98 dwellings comprising 82 houses, 12 flats and 4 bungalows, using the Guildway system of prefabricated housing.

A further contract for 48 traditional 3 bedroom terraced houses has been won at Hadlow, Tonbridge, Kent. This is for the W.P.H.T. Housing Association and the value is £478,044. The third contract, worth £407,497 is at Brighton Road, Crawley and is for 32 2-storey flats, for the Utopian Housing Association (Nexus).

Order book up by £3.2m

WILTSHIER Construction has been awarded a contract to carry out a commercial development for J. Sainsbury at the Lords Hill district centre Southampton. The architects are Scott, Brownrigg and Turner who have prepared the master plan for the centre which will include both community and commercial buildings.

The shopping element will comprise a 4,840 square metres Sainsbury supermarket, unit shops of 3,530 square metres, a partially enclosed shopping mall and parking for 550 cars. The district centre will eventually contain a health centre, library, church, public house and community hall. It is anticipated that the centre will be trading by summer 1977.

At Edith Terrace, London, S.W.10. Wiltshier has started work for the Orbit General Housing Association on a seven-storey block of flats involving 52 two-bedroom units. The contract value is £851,543. Architects are Sir John Burnet, Tait and Partners, the quantity surveyors Playle and Partners and the structural engineers are A. E. Beer and Partners.

Other work being carried out by Wiltshier includes the erection of flats, maisonettes and ancillary buildings at Kennington Road, London, S.E.11 for the Guinness Trust, and on the same site a contract for maisonettes for The Duchy of Cornwall. Architects for both these projects are The Louis de Soisson Partnership, and the total value is just over £1m. Together all these latest contracts total some £3.2m.

Two tasks for Turriff

CONSTRUCTION of a building to house plant for handling refuse and converting it into a fibrous soil-like material is about to start at High Wycombe, Bucks. Turriff has won the £400,000 contract which is due for completion in October 1977.

The plant will handle about 35,000 tons of household refuse and 31,000 tons of industrial waste annually.

Another contract awarded to Turriff is for the construction of a 9,000 cubic metre reservoir for the Severn-Trent Water Authority at Ruardean Hill, Gloucestershire. This is worth £230,000.

Six awards to Rush & Tompkins

CONTRACTS to the tune of over £2¼m. have been awarded to various subsidiaries of the Rush and Tompkins Group, the largest worth £1m., having gone to J. T. Parsons for work on the big Waitrose centre at Marlborough, Wilts. This involves new premises and extensive operations on the existing buildings.

GLC has placed the second largest award with the company for 51 dwellings in the Tower Hamlets area with a total cost of £770,000, while Bexley has commissioned work on two schools in its area for a total of £135,000.

Other work includes the construction of a motorway maintenance compound near Theydon Bois, Essex, to be completed for the opening of the new M11; erection of five nursery factories at Jarrow and alterations and improvements at Annitsford First School, Cramlington, Northumberland.

Now is the moment to order

COMPANIES who want building work done have been advised to put it in hand now, otherwise the delay will mean having to pay more later.

Over the past 12 months total building costs have risen by about 15 per cent., and there are: "Significant materials price increases already in the pipe-line," according to Mr. R. M. Willan, president of the National Federation of Building Trades Employers.

Speaking at the half-yearly general meeting of the Federation's Southern Counties Region at Eastbourne last week, he said: "In the case of house builders—who always provide a useful barometer to gauge the way things are going in our industry—their costs over the past two years have gone up at precisely twice the rate of house price increases.

"The picture we get is that with order books low and unemployment high, determined efforts are being made by building firms to win new work. The message for those who want building work done is, put it in hand now.

"This particularly applies to industrial and commercial interests. Delay now will inevitably mean having to pay more later as there are significant materials price increases already in the pipe-line."

£4m. council work by John Laing

AT PANSHANGER, two miles from the centre of Welwyn Garden City, John Laing is to carry out a 278 dwelling housing development which will accommodate about 1,000 people.

The contract period is 127 weeks and the specifications call for a number of specially designed units for disabled persons, providing ramped access and a layout of accommodation which avoids stairway problems to a great extent. Archer Boxer Partners are the architects.

More than £1m. worth of work has been placed with the group by Manchester City Council.

The major job is the second phase of a neighbourhood centre in Miles Platting and work has just started on this £702,000 project which covers libraries, swimming pools, a laundry, lecture theatre and exhibition concourse.

Housing is on the site of the former wholesale fruit market in the centre of the City and the current plan is for 38 dwellings to be extended at some further date.

Cartwright with £3m. contracts

CONTRACTS worth about £3m. have been awarded to the Construction Division of Joseph Cartwright. The largest, for 107 dwellings at Baildon and worth almost £1.3m., has been awarded by The Bradford Metropolitan Council.

Two contracts in Harrogate just started are for the construction of 86 flats for the 1st Northern Counties Housing Association and the modernisation of 56 houses for the Harrogate Council.

At Wyke the company has begun work on 59 dwellings for Bradford Metropolitan Council at a contract value of almost £¾m. while in the south contracts include a housing scheme for the London Borough of Merton costing over £¼m. and a £400,000 office block in Stroud, Glos.

Big safety glass award

LAMINATED glass, of grades specially developed by Thomas Bennett to meet a stringent set of security and environmental needs, is playing a vital role in the construction of a "prison without bars" on the outskirts of Amsterdam.

The £900,000 contract, believed to be the largest for laminated glass placed anywhere in the world, was gained against stiff Continental competition. It was placed by the Akan Construction Consortium on the authority of the Dutch Ministry of Housing and Physical Planning.

Thomas Bennett worked closely with the Dutch authorities and architects in developing ten different specifications of glass to meet varying security and environmental requirements, within the overall concept of preventing escape or unauthorised entry, letting in maximum daylight, controlling solar heat gain and allowing maximum visual contact with the outside world.

In the course of a three-month development and proving programme, several thousand pounds' worth of laminated glass was tested to destruction before the company's technicians were satisfied.

As a result, two main types of Impactex were tailored to the new prison's needs, each in clear, solar-reflective and fire-resistant grades, together with one which in addition has fine silver wires bedded inside the laminate so that an alarm will be triggered off instantly if the glass is broken.

European construction industry

THE CONSTRUCTION industries of 22 countries of West and East Europe, and for good measure a survey of off-shore oil sites, maps of individual countries, an overall communications map for all Europe and a list of common abbreviations, are all features of the second, enlarged, edition of "Construction Industry Europe."

It is in two languages, English and French, appearing side-by-side. It certainly seems that for those engaged in the design and construction of buildings and civil engineering works, especially if involved with the European countries and their regulations and requirements, this should be a useful reference work.

Published by House Information Services, 1, Cresswell Park, Blackheath, London SE3 9RG (01-852 6177), A4; 380 pages, £18.75.

Nottingham group gets £3¾m. jobs

BIGGEST OF the projects entrusted to W. J. Simms Sons and Cooke (Northern) is for £2¾m. in a series of awards which tot up to over £3¾m. It is for opencast coal extraction at Denby in Derbyshire for the NCB and it covers a span of 4½ years.

Among the other contracts is one for £426,000 to cover alterations and extensions to Littlewoods Chesterfield store. There is also a self-service store to be built for Jackson and Sons of Hull in Nottingham, a nursery unit to be set up at St. Davids School, Mold, Clwyd, and a new central library at Midhurst House, Angel Row, Nottingham.

Wimpey kept busy in Canada

FROM Toronto George Wimpey Canada has announced the award of three contracts totalling over £1.2m. The largest of these is for [illegible] Properties of Weston, Ontario for site preparation and development work for a private estate at [illegible] Industrial Park, [illegible] valued at £666,000.

For Greenhaven [illegible] (Ottawa) Wimpey is [illegible] site preparation and [illegible] at Fallowfield and [illegible] Ottawa, at a cost of £340,000 at Carlton Place, Ottawa, is [illegible] stalling sewers and water [illegible] for Siena Development at a [illegible] of £196,000. Wimpey [illegible] achieved a record turnover [illegible] 1975 of £43m.

Back in the U.K. Wimpey [illegible] build 173 homes at [illegible] Road, Knowle, Bristol, at a [illegible] of about £1.2m.

Awarded by the City [illegible] of Bristol the contract calls [illegible] two storey dwellings as [illegible] flats and bungalows. [illegible] surveyors and engineers [illegible] Whicheloe [illegible] McFarlane Partnership of Bristol.

Jetty job goes to Mowlem

JOHN MOWLEM and [illegible] has won a contract [illegible] Oil for the up-grading and [illegible] struction of the [illegible] Shell Haven Refinery.

In this complicated [illegible] existing timber decking and [illegible] joists to the jetty head are [illegible] removed and supporting [illegible] work grit-blasted and [illegible] concrete. The existing steel [illegible] will also be grit-blasted [illegible] coated with epoxy [illegible] Existing timber diagonal [illegible] longitudinal bracing to the [illegible] piles will be removed [illegible] replaced in steel angles.

The deck will be [illegible] in-insitu concrete on [illegible] stressed concrete [illegible] addition, the existing [illegible] points will be strengthened [illegible] each end of the jetty head [illegible] driving [illegible] long steel tube piles [illegible] the existing [illegible] extending the [illegible] crete deck over the new piles.

IN BRIEF

● A [illegible] sewerage job has been [illegible] the six Taylor Woodrow [illegible] struction [illegible] Northumb[illegible] and [illegible] treatment [illegible] at Howdon (South). [illegible] on site [illegible] should be completed early 1979.

● The Costain-Taylor Wood[illegible] joint venture for the [illegible] tion of the new Dubai dry [illegible] has ordered 19 cranes [illegible] £1½m. from J. H. Carruthers [illegible] Co.

● Prefabricated bathroom [illegible] made in Italy in a variety of [illegible] figurations and including [illegible] shower, wash basin and [illegible] are being marketed in the [illegible] by Makoni Establishment of [illegible] Selbourne Road, London [illegible] 7DE. The units can be [illegible] ported six or seven at a time [illegible] a lorry

Quarterly analysis of bank advances

Prepared by the Bank of England on May 19.

£m.

		—ADVANCES TO U.K. RESIDENTS— Total	of which in sterling	of which in foreign currency	—FINANCIAL— Total financial	of which in foreign currency	Hire-purchase finance houses	Property companies	Other financial
London clearing banks	1976 Feb. 18	13,327	12,317	1,010	2,071	230	107	937	[illegible]
	May 19	13,348	12,222	1,126	2,072	251	107	913	[illegible]
Scottish clearing banks	1976 Feb. 18	1,696	1,491	205	231	74	22	75	[illegible]
	May 19	1,739	1,501	238	242	86	18	72	[illegible]
Northern Ireland banks	1976 Feb. 18	327	326	1	16	1	3	12	[illegible]
	May 19	341	339	2	18	2	3	13	[illegible]
Other banks	1976 Feb. 18	14,701	7,981	6,719	4,332	1,897	282	1,874	[illegible]
	May 19	15,875	8,228	7,347	4,490	2,062	297	1,880	[illegible]
All banks	1976 Feb. 18	30,051	22,114	7,936	6,650	2,203	414	2,897	[illegible]
	May 19	31,004	22,292	8,713	6,822	2,401	425	2,878	[illegible]
Changes (d)	1976 Feb.-May	+953	+178	+777	+172	+198	+11	−20	[illegible]
		+77	+178	−101	−63	−37	—	—	[illegible]

		—SERVICES— Total services	of which in foreign currency	Transport and communication	Public utilities and national government	Local government	Retail distribution	Other distribution	Professional, scientific, miscellaneous
London clearing banks	1976 Feb. 18	3,468	611	325	527	61	696	590	[illegible]
	May 19	3,571	677	319	562	64	759	615	[illegible]
Scottish clearing banks	1976 Feb. 18	501	87	65	72	30	67	74	[illegible]
	May 19	514	102	72	65	23	80	77	[illegible]
Northern Ireland banks (c)	1976 Feb. 18	106	—	—	6	8	36	18	[illegible]
	May 19	111	—	—	10	5	41	16	[illegible]
Other banks	1976 Feb. 18	4,798	3,020	919	1,392	378	281	1,016	[illegible]
	May 19	5,190	3,277	997	1,466	405	291	1,194	[illegible]
All banks	1976 Feb. 18	8,873	3,717	1,309	1,997	477	1,080	1,697	[illegible]
	May 19	9,385	4,056	1,388	2,103	507	1,172	1,902	[illegible]
Changes (d)	1976 Feb.-May	+511	+339	+78	+106	+31	+92	+204	[illegible]
		+83	−89	—	—	—	—	—	[illegible]

		—MANUFACTURING— Total manufacturing	of which in foreign currency	Food, drink and tobacco	Chemicals and allied industries	Metal manufacture	Electrical engineering	Other engineering and metal goods	Shipbuilding (b)	Vehicles	Textiles, leather and clothing	Other manufacturing
London clearing banks	1976 Feb. 18	3,204	156	407	264	186	272	732	297	219	365	[illegible]
	May 19	3,165	178	380	293	194	241	687	286	172	385	[illegible]
Scottish clearing banks	1976 Feb. 18	408	21	87	22	19	19	60	91	11	41	3
	May 19	407	24	92	20	16	17	59	87	8	47	6
Northern Ireland banks (c)	1976 Feb. 18	63	—	16	—	—	—	14	—	—	18	1
	May 19	67	—	19	—	—	—	15	—	—	18	1
Other banks	1976 Feb. 18	3,226	1,217	601	706	202	275	474	60	233	171	[illegible]
	May 19	3,475	1,322	613	844	220	275	491	52	216	184	[illegible]
All banks	1976 Feb. 18	6,991	1,395	1,110	992	407	565	1,280	448	464	595	[illegible]
	May 19	7,115	1,524	1,104	1,155	430	533	1,252	425	395	634	[illegible]
Changes (d)	1976 Feb.-May	+124	+130	−6	+166	+22	−32	−28	−23	−69	+38	[illegible]
		−25	−19	—	—	—	—	—	—	—	—	—

		—OTHER PRODUCTION— Total other production	of which in foreign currency	Agriculture, forestry and fishing	Mining and quarrying	Construction	—PERSONAL— Total personal	of which in foreign currency	House purchase	Other personal
London clearing banks	1976 Feb. 18	1,773	12	741	94	937	2,721	1	970	[illegible]
	May 19	1,776	17	757	94	925	2,764	2	983	[illegible]
Scottish clearing banks	1976 Feb. 18	304	23	182	34	87	253	—	65	[illegible]
	May 19	305	26	183	37	85	272	—	71	[illegible]
Northern Ireland banks	1976 Feb. 18	66	—	46	2	18	76	—	17	[illegible]
	May 19	68	—	48	2	18	76	—	17	[illegible]
Other banks	1976 Feb. 18	1,336	567	36	784	526	1,008	17	253	[illegible]
	May 19	1,417	666	45	847	525	1,088	20	243	[illegible]
All banks	1976 Feb. 18	3,478	603	1,026	883	1,569	4,058	19	1,305	[illegible]
	May 19	3,567	709	1,034	979	1,554	4,116	22	1,314	[illegible]
Changes (d)	1976 Feb.-May	+89	+107	+8	+97	−16	+58	+4	+10	[illegible]
		+24	+42	—	—	—	+58	+2	—	—

(b) Including lending under special schemes for domestic shipbuilding. (c) The analysis provided by Northern Ireland banks diff[illegible] slightly from other banks. Chemicals and allied industries are included indistinguishably in "Other manufacturing." Metal manufactu[illegible] Electrical engineering, Shipbuilding and Vehicles in "Other engineering and metal goods," and Transport and communications in "Pu[illegible] utilities and national government." (d) The second lines of figures exclude as far as possible the effect of changes in exchange rates [illegible] the sterling value of advances in foreign currency.

Entertainment Guide

OPERA & BALLET

THEATRES

PALACE. 01-437 6834. Mon.-Thurs. 8.00. Fri. Sat. 6.00 & 8.40. JESUS CHRIST SUPERSTAR

PHOENIX THEATRE SEASON 1976. Last chance to see. Ends Saturday. Evenings 8.00. Mat. Thurs. Sat. 3.00. LEE REMICK, KEIR DULLEA, ALFRED MARKS, MIRIAM KARLIN in BUS STOP. BOOK NOW. Tel. 01-836 8611

PHOENIX THEATRE. 836 8611. Opens Wednesday, July 7. DOUGLAS FAIRBANKS JR., DINAH SHERIDAN, DAVID LANGTON and WILFRID HYDE WHITE in THE PLEASURE OF HIS COMPANY

PICCADILLY. 437 4506. Mon. to Fri. 8.00. Sats 5.30 and 8.30. Mat. Wed. 3. JEROME KERN'S HIT MUSICAL VERY GOOD EDDIE. "LOVELY to look at, DELIGHTFUL to hear and HEAVEN to watch." D. Exp. "Absolutely enchanting ... I really loved it." N.Y. Times. Fully Air Cond.

PRINCE OF WALES. 01-930 8681. Mon. Thurs. 8.00. Fri. Sat. 5.30, 8.30. "A Great New Musical." Daily Mirror. MARDI GRAS. "Brilliant. Most exciting musical for a long, long time." S. Times. "At last a British musical to sing about." S. Mir. "A really swinging musical." No W.

QUEEN'S. 01-734 1166. Evenings 8.00. Mat. Thurs. 3.0. Sats. 5.30 and 8.30. Winner of all the awards for BEST PLAY OF THE YEAR. Michael GAMBON in Simon GRAY'S OTHERWISE ENGAGED. Directed by Harold PINTER.

RAYMOND REVUEBAR THEATRE. 734 1593. 7, 9, 11 p.m. (inc. Sundays). PAUL RAYMOND presents THE FESTIVAL OF EROTICA '76

REGENT. 323 2707. Evenings 8.30. Friday and Saturday 7.0 and 9.15. 2nd YEAR OF SENSATIONAL STAGE SHOW OF THE '70s. LET MY PEOPLE COME. AN ADULT MUSICAL. "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROYAL COURT. 730 1745. Air-Cond. "Fantastically successful Beckett season." Harold Hobson, Sun. Times. Last week. Evgs. 8. Sats. 5 & 8.30. ENDGAME. SEE ALSO THEATRE UPSTAIRS

ROUND HOUSE. 267 2564. Mon.-Thur. 8. Fri. and Sat. 6.0 and 9.0. (Fri. at 6 ONLY, all seats £1.50). LA GRANDE EUGENE. "Wonderfully stylish, not to be missed at any price." Fin. Times.

SAVOY. 836 8888. Evenings 8.00. Matinee Wed. at 2.30 and Sat. 5.00. AVRIL ANGERS and DEREK BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE. Trans. to Fortune Theatre July 5.

ST. GEORGE'S. SHAKESPEARE. "London has acquired a beautiful new playhouse." Daily Telegraph. 609 1198. 49 Tufnell Park Road, Islington, N.7. Evenings 7.30. PETER McENERY, SARAH BADEL in ROMEO AND JULIET. "EXCEPTIONALLY MOVING." S. Tel. Thur. July 1 to Sat. July 3. ERIC PORTER, LYNNE FARLEIGH in TWELFTH NIGHT. "A night to remember." H. Kretzmer. Opening Thursday, July 8. ALAN BADEL in RICHARD III

ST. MARTIN'S. 836 1443. Evenings 8.00. Mats. Tues. at 2.45. Sat. 5.0 and 8.0. AGATHA CHRISTIE'S THE MOUSETRAP. World's longest ever run. 24th Year.

SHAW. 388 1394. Timothy Dalton, Maggie Fitzgibbon in BLACK COMEDY and WHITE LIARS by PETER SHAFFER. Opens tonight 7.0. Subs. Evgs. 7.30.

STRAND. 836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sats. 5.30 and 8.30. Doris Hare, McDonald Hobley, Arthur Howard, Barry McGinn. NO SEX PLEASE, WE'RE BRITISH. Directed by Allan Davis. 6th HYSTERICAL YEAR.

TALK OF THE TOWN. 01-734 5051. FULLY AIR CONDITIONED. From 8.15 Dining and Dancing. At 9.30 REVUE: SWEET TEMPTATION and at 11 p.m. MEL TORME

THEATRE UPSTAIRS. 730 2554. Opens Wed. at 7. Subs. 8.15. AMY & THE PRICE OF COTTON by Michael McGrath. (No membership required.)

VAUDEVILLE. 01-836 9988. Evgs. 8.0. Mats. Tues. 2.45. Sat. 5.0 and 8.15. GERALD HARPER, HANNAH GORDON, UNA STUBBS, PRUNELLA GEE in BAGGAGE. "Attractive, witty and very funny." E.N. THEATRE AIR CONDITIONED.

VICTORIA PALACE. 834 1317. Evening 8.00. Wed., Sat. 6.00 and 8.45. TERRY SCOTT, JUNE WHITFIELD. A BEDFUL OF FOREIGNERS. "GENUINELY HILARIOUS ... an exceedingly funny evening." Guardian. Dinner and best stalls £5 inc. (Mon.-Fri.)

WESTMINSTER. 01-834 0283. Evenings 7.45. Mat. Wed., Sat. 2.30. RIDE! RIDE! A Musical about John Wesley. "One of the most astonishing theatrical events ... this year." Guardian. "It deserves a future in the West End." Stage

WHITEHALL. 01-930 6692-7765. Evenings 8.00. Sat. 6.45 and 9.00. PAUL RAYMOND presents COME INTO MY BED

WINDMILL THEATRE. 437 6312. Twice Nightly at 8.00 and 10.00. PAUL RAYMOND presents RIP OFF. THE EROTIC EXPERIENCE OF THE MODERN ERA. An entire French Production.

WYNDHAM'S. 836 3028. Mon., Tues., Thurs., Fri. at 8. Wed. & Sat. 5.30 & 8.30. HELEN MIRREN, DAVE KING, MARTIN SHAW in DAVID HARE'S TEETH 'N' SMILES. "VIVID AND EXCITING." D. Tel. LAST WEEK. MUST END SAT.

WYNDHAM'S. 836 3028. SIDE BY SIDE BY SONDHEIM. Musical. Transfers here July 7.

YOUNG VIC. 928 6363. National Theatre Summer Season. Wed., Thur., Fri. & Sat. at 8 EMIGRES (seats £1.25). Some seats held for sale day of performance.

CINEMAS

ABC 1 & 2, Shaftesbury Ave. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1. ACES HIGH (A). Wk. & Sun. 2.00. 5.00. 8.15. 2. ALL THE PRESIDENT'S MEN (AA). Wk. & Sun. 2.00. 5.15. 8.20.

CASINO. Old Compton Street. 437 6877. THE DEVILS (X) at 4.45 and 8.40. EASY RIDER (X) at 2.45 (not Sun.) 6.40.

CURZON. Curzon St., W.1. (499 3737). Alan Bates in Simon Gray's BUTLEY (AA). Film at 2.30, 6.00, 8.30.

EMPIRE. Leicester Square. 437 1234. All seats may be booked at the box office or by post. EARTHQUAKE (A). Sep. Perfs. Progs. Daily 2.30. 5.30. 8.30. Fully air-conditioned.

LEICESTER SQUARE THEATRE. 930 5252. ROBIN AND MARIAN (A). Sep. progs. Daily 2.35. 5.35. 8.35. Seats for 8.35 prog. bkble. every day. All progs. bkble. Sat. and Suns. Late show Fri. and Sat. 11.45 bookable.

ODEON, Haymarket. (930 2738/2771). CONDUCT UNBECOMING (A). Sep. progs. Wk. 2.00. 5.15. 8.30. All seats may be booked.

ODEON, Leicester Square. (930 6111). A SPECTACULAR EPIC! LEE MARVIN, ROGER MOORE, BARBARA PARKINS. SHOUT AT THE DEVIL (A). Sep. progs. Wk. 12.40. 4.10. 8.00. All seats may be booked at the box office or by post.

ODEON, Marble Arch. (723 2011-2). ONE FLEW OVER THE CUCKOO'S NEST (X). Sep. progs. Wk. 12.45. 4.15. 8.00. All seats may be booked.

PLAZA 1 & 2, Regent St., SW1. 839 6494. Sep. Perfs. All seats bookable for the perfs. Box Office 11 am to 7 pm (not Suns.) No phone bookings. 1. LOVE STORY (AA). Wkdays 2.20. 4.10. 6.20. 8.35. 2. KELLY'S HEROES (A). Daily 2.00. 5.00. 8.00.

PRINCE CHARLES, Leic. Sq. 437 8181. 2nd Year. The One and Only Original EMMANUELLE (X). Sep. perfs. Daily (inc. Sun.) 2.45. 6.15. 9.00. Late show Fri. and Sat. 11.45. Seats bookable.

SCENE 1, 2, 4, Leic. Sq. (Wardour St.) 439 4470. SCENE 1. Cont. perfs. daily 12.30. Late Show Fri. & Sat. 11.55. Redford/Hoffman ALL THE PRESIDENT'S MEN (AA). Progs. 12.30. 2.55. 5.55. 8.55. Late show Fri. and Sat. 11.55. SCENE 2. Cont. perfs. daily 1.00. Late show Fri. and Sat. 11.30. Al Pacino DOG DAY AFTERNOON (X). Progs. 1.00. 3.35. 5.15. 8.50. Late show Fri. and Sat. 11.30. SCENE 4. Cont. perfs. daily 12.55. Late show Fri. and Sat. 11.50. JAWS (A). Progs. 12.55. 3.35. 6.20. 9.05. Late show Fri. and Sat. 11.50.

WARNER WEST END, Leicester Square. Tel. 439 0791. 1. James Dean in EAST OF EDEN (AA). Sep. progs. Wk. 1.20. 3.40. 6.00. 8.20. Last 3 Days. 2. REDFORD/HOFFMAN ALL THE PRESIDENT'S MEN (AA). Sep. progs. 2.05. 5.05. 8.05. 3. BARRY LYNDON a film by STANLEY KUBRICK starring RYAN O'NEAL, MARISA BERENSON. Sep. progs. 2.30. 7.30. 4. FREDRICO FELINI, AMARCORD (X). (English Language). Cont. progs. 1.10. 3.30. 6.00. 8.25.

ART GALLERIES

MARLBOROUGH, 6, Albemarle St., W.1. Important works by Contemporary Artists: ARIKHA, AUERBACH, BACON, BOTERO, CHADWICK, GENOVES, KITAJ, KOKOSCHKA, MOORE, NICHOLSON, NOLAN, PAOLOZZI, PASSMORE, PIPER, SUTHERLAND. Mon.-Fri. 10-5.30, Sat. 10-12.30 until 31st July.

ROYAL ACADEMY OF ARTS. SUMMER EXHIBITION. Weekdays 10-6, Suns. 2-6. Adm. 60p (Mons. 30p). A MICHELANGELO AND OTHER TREASURES IN THE PRIVATE ROOMS. Except Tuesday. Adm. 50p.

HENRI MATISSE—Paintings and Drawings—Victor Waddington, 25 Cork Street, London, W.1. Daily 10-1, 2.15-5.30. Sats. 10-1. Until 10 July.

LABOUR NEWS

Bank workers attack TUC's voting system

BY DAVID CHURCHILL, LABOUR STAFF

AN ATTACK on the power of large manual trade unions within the TUC has come from a small white-collar union in the finance sector. The 100,000-member National Union of Bank Employees has submitted evidence to a TUC working party set up to review the TUC's structure—largely unchanged for the past fifty years—which calls for more participation for small unions.

The union is concerned at the voting strength of large unions in determining the election of general council members from each of the 18 trade groups. It considers it more appropriate if *only the member unions of each* group were allowed to vote for its representatives, rather than allowing other often larger unions to have a vote.

Mr. Leif Mills, the union general secretary, said yesterday that he strongly supported the basis of the present TUC structure which embraced both white-collar and manual unions, unlike national trade union organisations in Europe. But, in practice, this structure meant it was difficult for all the unions to play a constructive role in TUC affairs.

Mr. Mills claimed that, despite the recent special TUC conference on the pay policy, small unions not represented on the TUC's general council or its main economic committee had little chance to influence the negotiators before a settlement was reached.

Closed shop

To improve participation, the union favours more special conferences on such issues as industrial democracy, the closed shop and weighting allowances. In addition Mr. Mills believes an immediate practical step would be to issue the minutes of general council meetings and other bodies on which the TUC makes its views known to all unions for affiliation.

The union's attitude echoes evidence already submitted to the TUC by another white-collar union, the 34,000-member Electrical Power Engineers' Association.

In it, the association accused the general council of taking policy initiatives "without serious discussion among and between the trade unions concerned of what is involved." A number of ways of improving the TUC's structure — such as decentralising decision-making from the "over-burdened committee structure" — are also suggested.

These submissions are likely to be followed by other small unions increasingly frustrated by the TUC's structure, but they will have to wait until next year's TUC conference before the working party makes its report.

Steel unions hit U.S. quotas

By Ian Hargreaves, Labour Staff

A PROTEST against the recent U.S. imposition of quotas on special steels will be delivered by delegates from the Iron and Steel Trades Confederation at this week's World Steel Conference in Pittsburgh.

Mr Bill Sirs, general secretary of the confederation, said the delegation would impress on the leaders of American steel unions the damage Britain would sustain because of the quotas.

"There is no doubt that with an upturn in production ahead of us the quotas will do damage to this and other countries. The amount of special steel being exported from Britain to the U.S. is not high in any case, but quotas could have an effect on our [illegible] as things pick up."

The EEC has declined to take retaliatory action against the quotas, which came in a surprise announcement from President Ford, a primary election campaigner, earlier this month. This is partly explained by the fact that the EEC quota for 1976-1977 is 52,000 tonnes, which is 1,000 tonnes more than the Community has ever succeeded in exporting to the U.S. in non-restricted times.

The EEC quota would rise to [illegible] tonnes in 1977-78 and [illegible] tonnes in 1978-79, but Mr Sirs thinks these limits not sufficiently generous to prevent inroads on Britain's productive capacity.

Managers warned on closed shop objection rules

BY OUR LABOUR STAFF

A WARNING that only genuine objections to trade union membership will enable employees to escape a closed shop agreement is made in a series of guidelines for managers on negotiated closed shops.

The guidelines, published by the British Institute of Management, point out that religious belief is "narrowly interpreted" by many agreements, and only members of religions or beliefs which are against union membership in principle are likely to be *considered for exemption.*

It is important, the Institute says, that managers are aware of this interpretation to avoid being taken to an industrial tribunal for unfairly dismissing an employee claiming religious exemption.

To prevent unfair dismissals, the guidelines suggest that an appeals procedure be written into the agreement.

While the new Trade Unions and Labour Relations (Amendment) Act would lead to pressure for more closed shop agreements, the Act could not force an employer to implement a closed shop. As an alternative, the guidelines point out that companies try a "declaration encouraging union membership" or conceding sole bargaining rights to the union.

They indicate responsibilities, once a closed shop has been agreed, such as payment of union dues direct from wages *and how long new employees* are given before they have to join a union.

- Mr. Ian Young, a British Rail white-collar worker dismissed last week for refusing to join a union under the industry's closed shop agreement, plans to take BR through the courts and eventually to the Human Rights Court in Strasbourg in an attempt to get his job back.

Young Tories: Pay no incentive

BY OUR LABOUR STAFF

WAGE RATES under the Government's job creation scheme do not offer sufficient incentive for young people to opt for work rather than unemployment benefits, say the Young Conservatives in a letter to the Prime Minister.

The Young Conservatives say the scheme, which costs about £70m., seemed to be capable only of postponing the real problem for young people of finding a job. The restriction of only some 10 per cent of the budget to be spent on materials "severely limited" the projects which could be considered.

The Government is considering ways of extending the job creation scheme, which so far has established some 27,000 jobs at a total cost of £22.6m., to ease pressure from the high level of unemployment among school-leavers and other young people.

Dockers may lift Hull blacking

BY OUR LABOUR STAFF

THE UNOFFICIAL blacking of Hull docks by dock labour protesting at the introduction of new technology is likely to be lifted today following an agreement reached between the dockers and the British Waterways Board.

Meanwhile, fresh talks are to be held today in an attempt to resolve the five-day unofficial strike by 500 dockers at Birkenhead, near Liverpool. The strikers claim that more men are needed when floating cranes are used to lift heavy cargo.

FINANCIAL TIMES REPORT

Monday, June 28, 1976

Mini and Micro Computers

The introduction of both the mini and the micro computer represent quite a revolution in data processing. The mini became established just over a decade ago while the micro has been on the market only around five years.

Making their impact

This Report was written by Ted Schoeters

TO THE tyro who knows of data processing little more than the word "computer" and the unavoidable fact that pocket calculators are fast and versatile, "mini computers" and now "micro computers" must seem to be just more incomprehensible jargon.

Yet both in their spheres represent as great a revolution as the computer—or the calculator, or the transistor—but on vastly reduced timescales.

It has taken the post-war years for the large general-purpose computers to become established. Minicomputers, for military purposes initially, became widespread just over ten years ago, but it is a scant five years since the first microcomputer made its bow. Interest in this acceleration is the way in which these complex machines are made.

The standard computer ten years ago was a maze of wiring between components on large boards, themselves attached to mother boards having even more fantastic festoons of interconnections behind them and the whole contained in cabinets with their own power supplies, refrigeration, etc.

Assembly was long, faults frequent and costly to remedy and modifications to wiring a nightmare. Marvels of ingenuity to make the back-wiring as near automatic as possible were worked out by specialist engineering companies—others strove for ten years to perfect ways of getting rid of wiring altogether by making component boards with many layers, the connection paths being provided along conductors formed between several layers.

Minicomputers from the outset adopted much of the latter technique and also tended to use more complex electronic components as their basic elements, primarily because the most important job for them when they were first conceived was to do repetitive work as fast as possible. They could also quickly be redesigned to take account of improved devices.

While the minis were getting into their stride—and there are probably several hundred different machines now to choose from—the designers of electronic components were not standing still and it became axiomatic that in electronics "small is beautiful." To what extent this trend was dictated by the needs of U.S. space technologists and missile makers is arguable: in any event it was a move that paid off handsomely, in two ways. First, the machines such as navigators, stabilisers, star seekers and so on could be made much lighter and smaller and take up less payload. Second, by making the components smaller and putting a large number together, "integrated" in microscopic proximity on the surface of a piece of special material such as silicon, patterns could be repeated at will by microphotography. This meant a reduction, proportionately, in bad circuits, a shorter signal path and lower power consumption and heat dissipation.

The big component manufacturers, having fought out a series of bloody wars between themselves which left only half a dozen with world status in the area of integrated circuits, and confident of their ability to use mass manufacture of high precision devices to tackle any problem, east around for new targets and came up with three—memory units, calculators and watches.

Tactics

In all three of these markets, the same tactics are apparent as were used from the start with integrated circuits, rapid price attrition by using wherever possible the cheapest "offshore" labour to do the delicate manual assembly work which costs too much to do this way in industrialised countries and intensified development programmes to produce circuits which make all competitors products obsolete overnight.

All this, allied to the makers' ability to turn out hundreds of thousands of components almost on demand, has made the area one in which fortunes can be and have been lost very quickly.

Calculator builders were quick to take advantage of the work done since the mid-60's on compact large-scale integrated circuit memories and most schoolchildren to-day would not use a machine without one or two stores. But memory was one thing; the calculating unit was another.

When the calculator explosion was really getting under way in 1971, a routine inquiry from a major Japanese builder resulted in a proposal from the American Intel company, that rather than build a complex custom-designed calculator driver specially for the machines the Japanese had in mind, Intel should produce a large integrated circuit which the user could feed with various sets of instructions to carry out different operations as required. In other words, the circuit would be programmable just like its larger brothers, the mini and the general purpose computers.

This programmable integrated circuit was the first microcomputer, the Intel 4004. It was slow in terms of speeds at which large machines work and its scope to handle information was limited, but it was a beginning and it could be instructed to do operations. Moreover, it could be mass produced with comparative ease for a whole series of users with differing requirements.

Now there are several families of microprocessors available and they are taking up part of the area commonly expected to be the preserve of the mini. Component density is around the 14,000/20,000 per device level on a circuit chip ¼ in. square. But it is already clear that the market for these tiny, versatile devices stretches far beyond anything so far predicted for computing units.

Array

Microcomputers are expected to have more impact on industry at large than any previous electronic device and because they are cheap and can be instructed to do many tasks, they will make obsolete a large array of existing specialised equipment.

But they will not and cannot totally displace the minicomputer for a number of reasons, most of them inherent in the technology used to make them, which produces a slower device.

For the foreseeable future they will not be used where large amounts of information have to be handled, where fast-operating peripherals such as fast stores have to be controlled, when a number of alternative programs have to be held in memory and in interactive working.

Market estimates of the p[...]tration of various areas by [...] computers abound. Fr[...] sources say a large propor[...] of the large scale integr[...] (LSI) devices made anyw[...] by the end of the decade [...] be microcomputer oriented [...] the recent Salon des C[...]posants in Paris it was cla[...] that half the LSI's manu[...]tured would belong to [...] family—15 per cent. being [...] processors themselves, 60 [...] cent. random-access or r[...] only memories and 25 per c[...] input-output devices.

But this does not give [...] idea of scale. Mackintosh [...]sultants foresees Europ[...] markets for integrated cir[...] alone in 1979 as $1,2[...] rising from $733m. in 1974.

This is against a backgr[...] of $2,862m. ($1,912m.) for [...] semi-conductors and one [...] $8,748m. ($4,635m.) for all [...]puter systems: the figures [...]ing to Western Europe [...] example the EEC, the No[...] countries, Switzerland, S[...] and Austria.

The same group has gone [...] further and predicted that [...] computers and small busi[...] computers together with mi[...] and support components as [...] as units manufactured for [...]gration into another buil[...] products (OEM—other eq[...]ment manufacture) will ad[...] to a $1.8bn. market in 198[...] the same European countr[...] By comparison, this year's fig[...] is put at $1.1bn. and the fas[...] growing area is microproces[...] components — solid [...] memory, input-output, [...] clocks—with a 500 per c[...] growth while OEM micros a[...] minis are the slowest segm[...] Because of continued he[...] price attrition to achieve m[...] and greater mass production [...] large integrated circuits, [...] value figures have to be ta[...] with caution.

It is obvious from all this t[...] if price attrition is anyth[...] like what it was at the beginn[...] of the decade, when the (the [...] U.K. semiconductor makers ea[...] were losing about £1m. a year [...] sales against increasingly hea[...] U.S. dumping, the market [...] terms of actual devices sold [...] going to grow very rapid[...] With these facts in mind, t[...] $111m. worth of microcomput[...] devices to be sold in Europe [...] 1980 could represent a ve[...] large volume of product. In th[...] figure Mackintosh puts proce[...]sors at $25m. which is high[...] than the French forecast. Th[...] year's figures are $40m., a[...] $6m. respectively, all for We[...]ern Europe.

It is relevant at this point [...] note that only one Europe[...] component producer is kno[...] to be planning firmly to laun[...] its own design of microproc[...]sors. The manufacturer is F[...]ranti and the computer will [...] shown for the first time [...] September. Intended primar[...] for military applications it [...] be a 16-bit machine of a t[...] which—Mackintosh comment[...] "provides a market decrease [...] programming effort and exe[...]tion time compared with [...] earliest micro and its immedi[...] successors.'

Mini growth

ANYONE who still doubts, particularly in public, that the minicomputer is having and will continue to have a major impact on the larger general purpose computer on all fronts is unfortunately denying the obvious. This is true—not only the minicomputer as such, but also the various types of terminals which are virtually computers in their own right and can do more local processing than a computer ten times the size and cost ten years or so ago.

In recent weeks both Clancy Spangle of Honeywell and Herb Grosch, one of the prophets of the U.S. computer industry, have come out strongly against the concept of distributed processing in which a network of minis splits up a total data processing job, each being able to hand over to the next one down the line should there be some malfunction. The argument revolves around the discovery, in actual testing, that it is possible to carry out a given computing job, using minis at strategic points, at a cost in equipment of about one-quarter to one-third of the cost had a conventional large data processor been used.

Load

Both the attackers say it will take five to ten years before this concept will make a real impact on the industry as a whole, mainly because of software problems. But are they not arguing against an ideal case? Already, many users who need more power in their computer rooms are avoiding the obvious move of taking the next model up on their existing equipment and buying in fully-fledged small machines which they use to take over a specific area of the computing load. The small machine feeds the processed results to the central unit—a beginning in distributed processing.

Meanwhile, predicted growth rates and observed installations of minis are far higher than for general purpose machines (or mainframes) as recent studies by a number of market studies operators disclose. The most recent, from Expertise International, gives a mini growth of 21 per cent., as the accompanying table shows. It should be noted that there is a deep fringe area between small business systems and minis, particularly with the advent of so many new intelligent micro-processor driven terminals working with minis.

It is difficult to allow for the overlap between minis and small business systems and still harder to equate the dip in sales of intermediate-sized computers with the predicted 11 per cent. growth for all general-purpose machines, but it is not difficult to see minis reaching half the sales rate, by value, of larger computers by 1985 and at parity by 1990—though, of course, five years is a long time in computing!

One thing is sure: had IBM continued to pursue FS (future systems) development as hard as it was doing some two years ago along the lines of distributed processing for major companies with plant all over the U.S., or Europe—or the world—all other major manufacturers would now be talking distributed processing to their customers with 79/80 as the target date. Some, including Burroughs and Univac, are already a long way down the road and the latter has recently launched a series of microprocessor-based intelligent terminals which will still further reduce the role of the central computer towards that of a "glorified electronic post-office."

It is hard to over-stress the advantage to the mini-makers of their ability to adopt the latest technology within we[...] rather than years, as in [...] case with mainframe. [...] because electronic engineer[...] is leaping ahead at a pace wh[...] is leaving many potential us[...] far behind, solutions to [...] number of computing probl[...]

Continued on next page

MINI AND MICRO COMPUTERS II

Advances in technology

to success in producing and more complex cir- on smaller and smaller of active material is usly the number of suc- e steps between the raw ial and the finished pro-

ce several of these steps nvolve "cooking" a thin of material for hours at y-red heat, or bombarding a vacuum with a stream articles, or again deposit- ayers of metals to a pre-set rn. only to remove them some particularly potent it is hardly surprising failure rates in the past been high.

this is necessary because hemicals which make tiny of silicon and some other conductors behave like shioned valves and/or hes are injected only into y thin layer of atoms at surface of the slice of rial. These areas have to nterconnected to process ning signals and feed in- ation out, hence the need posit interconnections and invisibly fine wire to cer- circuit points. The devices to be protected against ure and corrosion—there- more layers—and they to be extensively tested. at further touching of the it's surface is inevitable.

all wonder that before a process is perfected yields e so poor as to jeopardise very existence of its ers. What is remarkable is only two companies, Philips IBM—in that order—have ed to go back to square and make a detailed basic rch investigation of what ly is happening in those ayers of atoms between the sphere and bulk materials. e reason partly is that g the headlong develop- of integrated circuits. of the work was against clock, by trial and error. no one had time for a le of years of laboratory in- gation, and particularly nsive study at that, with e and the military crying for more capability and e speed.

With time and experience, two sets of processes have emerged and grosso modo belong to either bipolar or MOS procedures.

The first is fast, so fast that the latest mini-computer on a board (from Hewlett-Packard) outperforms the fastest micro by a factor of five, using bipolar circuits.

But MOS is simpler, easier to apply and more suitable for the production of microscopic devices with up to 20,000 components in them.

Devices

And so to micros. Inevitably the first were MOS devices, but since the disadvantages of slower operation have become apparent, a number of producers have turned to variants or to combinations with bipolar or, again, to a different method of planning how the device will work and the net result is a great diversity of what manufacturers can offer and what non-manufacturers who want to use micros in their own electronic bits and pieces are prepared to back—though it is fair to say that the micros which operate on the basis of words containing eight binary digits (led by Intel and Motorola) look like holding half the market with the rest split between four bit, sixteen bit and perhaps twelve bit devices.

But to go back for a moment to the youthful grand-dad of them all, Intel's 4004. It was followed quickly, by the Intel 8008 because a large market potential opened up—only to close because the customer decided to go to smaller but faster bipolar components. So Intel marked time, interesting many potential users until it had overcome the difficulties of applying a much faster version of MOS in the 8080 microcomputer.

This is the device actively marketed and supported by GEC in Britain, which has the capability to make it but is not exercising this for the time being. GEC is making a multiplier chip by the same process and hopes to be offering an 8080 to BS9000 standards in the not too distant future. Siemens is the only other international company to have been given similar treatment by Intel. Meanwhile, the latter has brought out a bipolar micro set in which are processors with ability to handle two binary digit words so that if joined together in parallel, any of the commonly used word lengths can be handled. There are no languages to handle this type of computer but its instructions would be defined by or for the user and put into an equally compact read-only memory.

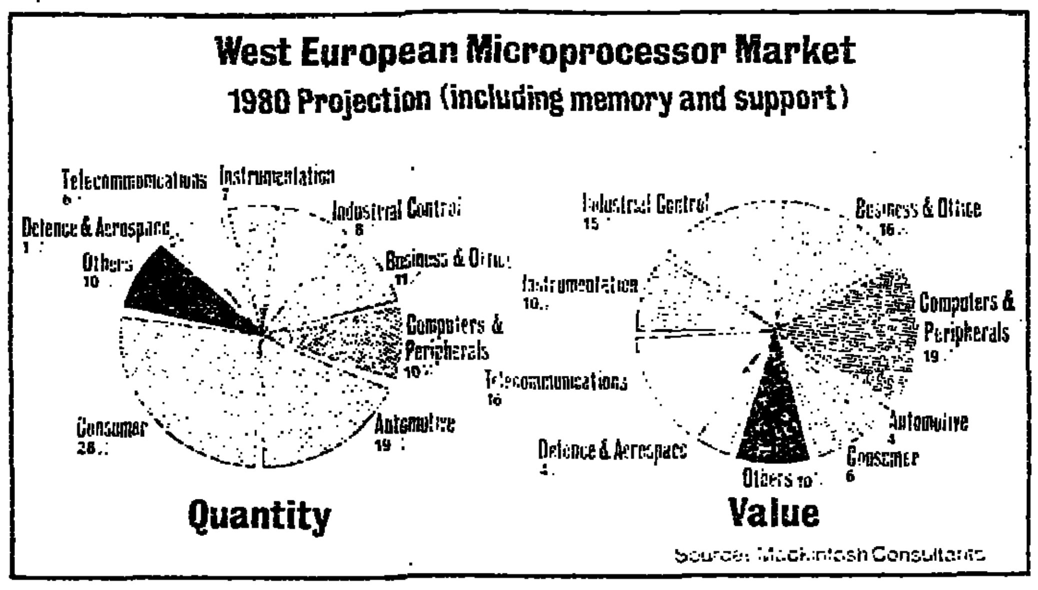
Speed is where this "3000" unit gains. It is available from GEC and is also made under licence by Signetics, wholly owned by Philips.

Motorola is the major competitor for the 8080 with the 6800 and, in Britain, has ensured support by a somewhat different deal under which Computer Technology is providing engineering and service backup.

National Semiconductor, which has an intimate deal with Plessey, allowing the latter to offer Plessey-made microprocessor devices in the U.S. if it so wishes, is, however, emerging as the world No. 2 in semiconductors, despite the somewhat disastrous experience in the Novus consumer product venture during 1975.

It is set on a course which should bring it to a $450m. turnover in 1976-77 against over $320m. in the financial year just past, and claims to offer more microprocessor options than any other company in the business.

National is planning to offer an 8080A second source unit with Intel, to be "militarised" when required. It is also pursuing a 16-bit course with its PACE/IMP series of computers on a single chip.



Hunches

In Europe, a similar pattern has emerged with various manufacturers—such as Thomson-CSF with the Advanced Micro Devices (US) 2900—backing their own hunches.

At the same time, the two world leaders in the mini-computer field: Digital Equipment Corp. and Data General, have brought out their own micros as have CAI, Honeywell and many others.

But there is a severe problem in the use of micro-processers for other than clearly definable, repetitive work relatively easy to capture as a series of instructions in an electronic memory.

Most people—but not their authors—are underestimating the software work needed to provide micros with a reasonable competence against, say, a standard mini. A recent study showed that almost half the applications require 1,000 man-hours of software work and just under a third, as much as 5,000 hours.

It is obvious why the makers have been at pains to seek support and why software companies with the reputation of CAP have set up groups of microcomputer specialists to handle this type of work really before the market has felt the full impact of the micro. Some service bureaux have also moved into the field with support through emulation which allows would-be users to shrink the time needed to prepare operating routines.

At the moment, according to a poll conducted by Electronic Data News, some 60 per cent. of micro applications are to replace non-computing logic and only 18 per cent. to replace minis. The field otherwise is vast—sewing and washing machines, TV games (including chess), within larger computers to control specific functions such as input/output and diagnostics and in the huge area of computer peripherals of which $5bn. worth will be sold in Europe alone in 1980.

Micros are appearing at the other end of the scale in "constructions" such as the Hypercube which is able to handle 16m. instructions/second and for $400,000 will do as much work as IBM's 370/195 ($18m.). It contains between 32 and 512 Intel 8080s.

Looking further ahead is ICL's Array Processor which seeks to solve appropriate problems faster by splitting them up into small pieces that can be dealt with by the small interlinked processors in the array. The question of building an experimental 64 x 64 cell computer is under discussion.

Growth

CONTINUED FROM PREVIOUS PAGE

already exist in the form of novel hardware—all that is required is for the expert systems house to recognise the solution for what it is.

This is one reason several service bureaux have moved to offer design and installation expertise to would-be users, another being the old adage "if you can't beat 'em, join 'em," since many small bureau users have been wooed away by entrepreneurs offering a turnkey installation service with small machines.

Either way this spells loss of processing work for the big machines and it is typified in the recent decision by Centre-file (Nat West) to purchase a large number of DEC minis for installation in the premises of building societies taking the Centrefile on-line accounting service. Small machines in IBM's 370 and System 3 series are natural targets as are small machines in ICL's repertoire, despite the acquisition of Singer.

Hewlett-Packard, Varian, Ventek, DEC (indirectly), Data General, Lockheed and now Cincinnati Milacron, among others, are all in this battle to replace conventional mainframe though on several occasions leading executives of some of these companies have asserted that such displacements were not what the mini business was all about—but they cannot control OEM.

Makers of general purpose machines are reacting to the threat and NCR, for instance, with its 9200 mini is offering packaged software (operating routines designed to do a specific job) along the lines taken by IBM with System 32. And Univac has Acorn.

The software houses are, naturally, very active in developing these packages and without their support market penetration by the minis would be far slower.

A spokesman for CAP (working on packages for Ventek's Datapoint) has pointed out that first time computer buyers among the million new users expected in the U.S. and Western Europe in the next ten years will get few downright bad bargains in their £25bn. worth of purchases in that period.

But they might get less than they should for the money they are paying, whoever they buy from—mini specialists, turnkey operators or mainframe maker who has turned his hand to minis. In the latter instance it is hardly likely that the big companies will want to do more than provide a captive user market for their larger machines.

European Market 1975-80

	1975 $m	1980 $m	growth %
Main frame	2,975	4,910	11
Minis	195	510	21
Small business systems	1,145	2,685	19
Visible record computers	320	645	15
Total	4,635	8,750	13.5 Average

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● AUTOMATION

Low-cost stock control

PRODUCTION MANAGERS with a stock control headache can relax because a U.K. group has built what is probably the cheapest electronic stock control unit available—and likely to stay that way for some years to come.

Able to cope with up to 13,000 separate items, the unit consists of display and keyboard, twin floppy discs, fast printer and microcomputer controller.

Dual density discs and the Intel 8080 microcomputer come from the U.S., the VDU from a U.K. source and all the rest, including the all-important software, from Britain in a package costing just under £4,000 put together by Computer Ancillaries, sellers of the MAEL low-cost office computer of which about 250 have been installed.

M-ONE is the name which the company has given to the equipment. It has a number of companion units already in the pipeline for payroll, invoicing and a variety of other day-to-day commercial operations.

One ability that will attract potential users' attention is that of accepting and using any company's existing stock codes, titles and methods. This avoids the frequently-made demand by makers of other such systems that the user re-code stocks completely.

Another is that the basic unit is able to run up to four displays and keyboards and thus cope with a very busy stock department without the need for dual machine operations.

Inventory is placed in store with the minimum of effort and the fields (spaces) allocated for such items as part number, description and quantities are more than is needed for the alphanumeric stock control procedures now in use.

Immediate information on any stock position can be provided on the display and keyed out on the printer as needed. No experience of computers is demanded of the operator who requires average typing skills to become proficient on the M-One.

Ordinary power supplies and ventilation suffice and judging by the pre-launch response, this unit should find its way very quickly into the huge market of smaller engineering concerns, maintenance depots, central stores, etc. who need to keep tight control of inventories in order to reduce overheads and idle capital.

CAL is at 64, High Street, Esham, Surrey, TW20 9EY. Egham 6455.

● PROCESSES

Chemical or oil spill recovery

RE-USABLE PADS, stated to be capable of absorbing up to 30 times their own weight of oil or liquid chemicals, but excluding water, have been introduced by Polarchem, 34, Ebury Street, London SW1W 0LU (01-730 7158).

Developed by an American textile company, and called Petro-Trap, the pads are used singly or in groups, inside or outside, on land or water, to absorb spillages and decontaminate water. Pads can be wrung out for re-use, and the spillage recovered if required; a wringer is available.

Buoyant and environmentally inert, the pads comprise an absorbent polymeric foam core sealed in a spun-bonded polypropylene membrane, which is permeable to oil and various chemicals, but not to water. The membrane can incorporate a vapour barrier for part of its surface when undesirable secondary evaporation might occur.

Standard pads are up to 30 x 18 x 8 inches. They can be joined by cords to form an absorbent boom, stated to be capable of withstanding tidal action and to remain flexible at low temperatures. Approved by the U.S. Coast Guard and Environmental Protection Agency, the pads cost £10 each.

● MATERIALS

Surface is easy to apply

QUALITIES COMPARABLE with those of low-pressure laminate sheeting plus the advantage of availability in rolls for processing an standard production equipment are claimed for Igraplan. This is Sonneborn and Rieck's fully-finished melamine surface laminate range.

Igraplan is aimed at the woodworking industries and requires no after-finishing. It is immediately available in several wood colours with textured grain patterns and in white. Other finishes will be available shortly and the company is prepared to discuss matchings outside the current range.

Heat resistance and dimensional stability are basic to the material, which is also impervious to water, solvents and many acids as well as household substances.

Resistance of between 5 and 30 seconds to a burning cigarette end is claimed, as well as distinct anti-dust properties.

Further from the company at Jaxa Works, 91 Peregrine Road, Hainault, Essex.

Trough for pitched roofs

FOR USE with pitched roofs as an alternative to the traditional lead or concrete valleys, a Vulcanal trough valley is now available, and claimed to be cheaper than either.

Preformed from moulded glass fibre reinforced plastic it is stated to be almost unbreakable, but can be easily cut to length and will fit most types of valley on tiled or slated roofs. The profiled radial cross-section enables it to be used on varying pitches, and aids rigidity and fixing.

Each unit has a girth of 400mm, and is 2.5 metres long. Consecutive lengths are laid on slater's felt then nailed through drilled holes into counterbattens under each edge. Trimming at head and sole of the valley is carried out with a fine toothed saw.

The trough is available in packs of ten from Vulcanite, Trident Works, Seven Stars Bridge, Wigan, Lancs., WN3 5AF (0942 46392), a Rubberoid Group company.

● ELECTRONICS

Goodbye to dual in-line packages

DEVELOPMENT of a new package for microcircuits which is both smaller and easier to apply than the conventional dual-in-line package (DIP) used widely by the microelectronics industry has been disclosed by General Instrument Microelectronics.

Approximately one-third the size of the conventional package it replaces, the new unit, called Mini-Pak, has a long list of advantages.

Mini-Pak is a square layout, approximately ¼-inch on a side and ⅛-inch thick. This compares with the larger dual-in-line package having the same number of leads, which is closer to 1½ inches in length, ½-inch in width and ⅛-inch thick.

The microcircuit chip is mounted on the top of the Mini-Pak substrate and wire-bonded to conductors which carry the signals from the chip to an array of solder "bumps" formed on the underside of the package. The top of the chip is protected by a special coating.

In practice, Mini-Pak is attached to a printed circuit board by heating the perimeter of the Mini-Pak and allowing the solder bumps to reflow on to the connections of the printed circuit board.

Advantages obviously include better packing on the boards. But the devices also are much more easily attached and replaced, using simple tooling. Automated testing of assemblies and boards is easy and the units carry their own solder for fast assembly.

Inspection is made easier and so is the drilling problem on the circuit boards.

The company considers its design must become standard for consumer and calculator circuits where space is at an absolute premium. Initially, selected products are to be offered in the company's calculator, clock and TV game lines. Ultimately, over 100 standard components will be available in the new type package.

General Instrument Microelectronics, 57, Mortimer Street, London W1N 7TD. (01-636 2022).

Less than nine inches long this underwater television camera can be either hand-held or attached to any diving mask for the inspection of undersea structures. Available in the U.K. from Techmation, it is so light that in water the load on the helmet or in the hand is only 1 lb. To have both hands free while examining a piece of equipment deep below the surface is clearly a major advantage. Sensitivity to low light levels is good and there is a 75 watt bulb attachment allowing the camera to operate in extremely muddy waters. The whole unit is totally enclosed in a pressure housing neutrally buoyant in water. Further from the company on 01-958 5636.

● PACKAGING

Straps thin packages

WHEN CONVENTIONAL power strapping equipment cannot be used because the packages are of insufficient height, a new machine from Signode will probably cope.

Designated the M25V, it has an inverted sealing head placed to apply seals to the underside of packages, rather than on the side. Various models are available, allowing the equipment to be used with packs ranging from 4 inches wide and 1 inch high to 61 inches wide and 24 inches high.

To operate, the pack is positioned on the machine and a pedal depressed. Automatically strapping is drawn from a fully-enclosed chute, tensioned around the package, notched, sealed and cut. Strap tension is adjustable by regulation of air pressure. At 90 psi strapping is fed at 48in./sec. and taken up at 36in./sec.

Seals are placed on the bottom of the package with the seal centre line 14⅛in. from the package guideline. The machine is supplied with conveyors. Air line pressure required is 70 to 125 psi, using an average 3 cu. ft. per cycle. Single phase electric supply is needed. The machine uses painted steel strapping in ⅜ or ½ inch width, 0.01 to 0.02 inch thick. More from Signode, Queensway, Fforestfach, Swansea, Glam. (0792 32811).

Doubles as a shrink wrapper

AN ADJUSTABLE non-shock can packing machine which processes various can sizes without changing machine parts, has now been further developed by Wix of London to operate as a shrink wrapped rolled paper packer as well.

Can sizes that can be packed range from small to A10 and 5 litre, and include pack arrangements for 5 by 5 and 5 by 4 metric, as well as the standard 4 by 3 and 6 by 4. Operational speeds are variable up to a maximum of 300 cans/minute operation is electro-pneumatic.

Used for packing shrink wrapped paper, wallpaper, wrapped hospital and kitchen rolls, it can adjust to many roll diameters, as well as imperial and metric pack arrangements.

The discharge can be coupled to a case sealing machine which conveys the discharged filled cases horizontally, automatically sealing flaps at both ends of the case with adhesive or tape. Only one operator is required, and packing speed is up to 8 cases/minute.

Details from the maker at 29 Minerva Road, London NW10 (01-965 1255).

High speed heat seal machine

STATED TO be suitable for use in hospital centralised sterile service departments and similar establishments as well as among producers of chemical, food and any other products which are packed in small polyethylene-laminated bags or sachets, a high speed heat seal machine has been introduced by Whitehall Machinery, Chalks Road, Whitehall, Bristol BS5 9ER (0272 553551), a DRG company.

Intended as a general purpose machine, easily operated by inexperienced staff and readily maintained, the machine is a development of the company's Crimp-Seal. Improvements include: increased throughput from 24 to 30 ft./min; more powerful drive with improved cooling; tamper-proof; four-position stand for vertical or horizontal feed; totally enclosed stove enamelled guards.

Control has been simplified—all standard materials can be sealed on a single setting. If internal adjustments can be made to suit different materials.

Binds pipe or wire in bunches

USING A continuous cog tape in polyamide nylon 6.6, the Clickit can be used to bind bunches of electrical wiring, or pneumatic or hydraulic tubing—as well as for securing them to electrical equipment chassis or machine frames.

The tape is automatically fed through the tool and the tightening and cutting operations are executed with one hand. The tool can be used with both 5 and 8 mm. tapes, supplied in 2.5 metre lengths. The fixing clips are also of polyamide nylon. Both tapes and clips are resistant to most oils, greases, solvents and chemicals.

Developed in Switzerland, the tool is available in the U.K. from Exit S.A., 9, Riseley Road, Maidenhead, Berks., SL6 6EP (0628 38534).

● INSTRUMENTS

Flowmeter works in turbulence

FLOWMETER equipment which gives precise flow measurements of water, gas and air in pipes of up to 25mm (one inch) in diameter, has been developed by Paul Poddy, of London.

The "maxi" is fitted with a centre-guided float—which provides exceptional stability and allows more accurate measurements to be taken even if a flow is turbulent.

Machined from a solid block of clear perspex for improved safety and reliability, it is considerably cheaper and more durable than glass models of similar size, resistant to corrosion and suitable for use in the most rigorous conditions without being damaged.

Primarily for use with clean, cold fluids, it can also be used to register the flow of most common gases and diluted acids and alkalis.

Paul Poddy, 16, Minerva Road, London, NW10 6HJ (01-965 3462).

Code for marine instruments

"INSTRUMENTATION and control schemes must be considered as an integral part of marine systems, no less important than the machinery to be controlled and monitored." This comment is emphasised in the preface to the second edition of the British Ship Research Association's publication "Code of Procedure for Marine Instrumentation and Control Equipment."

Although primarily intended for use in marine work, much of the content is also directly applicable to the instrumentation and control of industrial plant.

The book is in two parts. Part I—General—provides guidance on the specification, design, procurement, installation and commissioning of marine instrumentation and control systems. Part II—Design Recommendations—includes more detailed technical information on the specification and design of the commonly used instruments, equipment and systems, covering electrical, electronic, pneumatic and hydraulic control systems. As a guidance and training manual it is stated to be unique in its field.

From BSRA, Wallsend Research Station, Wallsend, Tyne and Wear, NE28 6UY (0632 625242), 405pp, £25.

● METALWORKING

Heavy duty grinding

TWO ANGLE grinders for heavy duty cutting and grinding have been introduced by Wolf Electric Tools, Station House, Harrow Road, Wembley, Middx. HA9 6... (01-903 6511). Carrying a 7 inch or a 9 inch wheel, both tools are rated at 2.3 kW, an increase of over 53 per cent. in power compared with existing tools in the company's range.

They are double insulated and carry the BSI Kite-Mark—Wolf claims they are the only angle grinders of 2 kW or over to do so, and thereby comply with the Safety and Health at Work Act 1974 and the 1970 abrasive wheel regulations. The wheel guards on both machines are adjustable.

Full load speeds are 5,800 and 4,500 rpm respectively, and each machine weighs 14.1 lbs.

A range of accessories is available for the tools, including a cut-off stand for cutting steel bar, tube or angle iron at any angle between 0 and 45 degrees and a cutting and chasing guide for channelling masonry or brick work.

● HYDRAULICS

Courses on pumps and pressure

TWO SHORT practical courses for engineers and designers will be held in September, the first on "Pumps and the Plant Design Engineer" and the second on "Pressure Transients."

Organised by BHRA Fluid Engineering, Cranfield, Bedford MK43 0AJ (0234 750422)—from whom further details may be obtained—the first is from September 14 to 16 and will be held at Cranfield Institute of Technology, the second will be on September 20 and 21 at the City University, London.

CONTRACTS AND TENDERS

COPPER

The Financial Times proposes to publish a report on Copper. The provisional date and editorial synopsis are set out below.

Wednesday, July 14, 1976

1. Introduction. Demand for copper is increasing again as industrial activity recovers. However, world stocks are at record levels and surplus supplies are forecast to last for several years, but a shortage is threatened for the 1980s. The need for greater investment to develop new sources of supply. Will Unctad and Cipec moves to stabilise the market succeed?

2. Pricing. The important role of the London Metal Exchange in fixing international prices and providing finance for carrying stocks. Attractions of copper as an investment "hedge" against inflation and currency changes. Is it better to invest in copper itself or in producing companies; the growth of commodity unit trusts and the role of the speculator in influencing copper prices. Prospects for price stabilisation schemes either using the Metal Exchange or outside it.

3. Production prospects. Depressed prices have brought sharp output cutbacks and slowed down the search for new deposits and investment in expansion. Political unrest and transport problems are also threatening African supplies. Where are potential new mines, and will sufficient new funds be forthcoming to expand production sufficiently?

4. Consumption. Have low prices enabled copper to win back, or gain, new markets in view of uncertainty about future supplies? The prospects in five major areas—electrical, transport, construction, general engineering, domestic goods. A recent setback for copper in Post Office decision on cables, but there are big potential markets in solar heating, desalination plants, etc.

We would point out that the contents of this report and the date are subject to complete editorial discretion.

For further information and advertising details please contact Robert Murrell on 01-248 8000, Ext. 520.

PUBLIC NOTICES

هكذا من الأصل

The Executive's and Office World

EDITED BY JOHN ELLIOTT

[D]avid Churchill explores the history and design of the first [ne]w union headquarters to be built in London for a decade

A trade union tower

[AFTE]R A dozen years of over[comin]g virtually every conceiv[able b]uilding problem, Britain's [larges]t white-collar union—the [Nation]al and Local Government [Officer]s' Association—has finally [moved] into new 85,000 sq. ft. [offices] in central London, the [first m]ajor trade union head[quarte]rs to be purpose built in [the ca]pital for over a decade.

[NAL]GO's new tower office [block]—costing just over £3m. [and w]orth at least £8m. even in [today']s property market—is as [far re]moved from the popular [image] of trade union offices as [it is p]ossible to imagine.

Leonard Burt

The front entrance of NALGO's building in the Euston Road

[Gon]e are the days of dedicated [union] employees addressing and [sealing] envelopes by hand: now [the un]ion utilises two machines [which] fold, fill, and seal envel[opes a]t the rate of 3,600 an hour. Gone too, maybe, are [the da]ys when unions tried—and failed—to comprehend [econo]mic forecasts made by the [Gover]nment because NALGO [now p]lans to use its own ICL computer to develop econ[omic] models.

[The] smoke-filled rooms of the [union]'s ruling council where [the m]ember with the loudest [voice] often held the day are [also o]n the way out. Now the 70-[strong] executive council is [house]d in an elegant air-con[dition]ed chamber with the chair[man] able, at the flick of a [switch], to over-ride long-winded [speak]ers by cutting off their [indivi]dual microphones. This [use o]f technology by NALGO [is th]e final result of a long [strug]gle to build a home of its own.

[St]aff expansion

[The] search for permanent free[hold] headquarters started in [...] when plans to build on a [site] opposite Parliament were [thwa]rted by the war and an [event]ual Government take-over [of th]e site. The union then [move]d to leasehold accommoda[tion] near Regents Park but [rapid] staff expansion forced a [mov]e to more rented accommo[datio]n, this time in Woolworth's [head]quarters adjacent to Mary[lebo]ne railway station.

In the early 1960s the union decided once more to build its own headquarters and subsequently opened a £50,000-a-year savings fund. By 1964 it had found a suitable site in Euston Road, London, near Kings Cross and Euston stations. This proximity to main-line train services was an essential feature of the offices' location since NALGO's 70 council members were scattered throughout the country but met regularly in London.

The site cost about £350,000 and the union also had to pay a further £150,000 to acquire the lease of sitting tenants. But its plans almost immediately fell foul of the Labour Government's block on new office development in London in the late 60s and construction work did not start until an office development permit was finally granted in 1971.

However, construction work soon fell behind schedule—helped by the three-day week—and building costs escalated dramatically. Both the main contractor and sub-contractors ran into financial difficulties during the recession in the industry and this further delayed progress, although the companies that acquired the contractors' interests took over the NALGO building work.

The cost of the building work, including the £500,000 paid for the site, escalated from an estimated £1.75m. to £3.25m. This was mainly met out of the union's own considerable financial reserves but NALGO also decided to borrow about £1m. from its own strike fund—which was substantial since the union had never, at that time, had an official strike. The growing militancy among its members however in the past few years has prompted it to take out a mortgage and to top up the strike fund.

During the construction work, NALGO utilised the expertise of many of its members who were engaged in similar construction work in local government. For example, one union member who was also a quantity surveyor was able to assess the materials ordered by the contractors and suggest ways of saving money.

Eventually, two years behind schedule, NALGO moved into its new offices in the spring of this year. The offices are built as a complex of three interconnecting buildings at different levels, with a ten-storey tower, a four-storey block linking the tower to adjacent buildings, and a raised two-storey block containing the Council chamber and ante-rooms.

When designing the building's exterior the architect drew on research work carried out at Newcastle University. The idea was to allow the maximum daylight possible without letting in noise. This was achieved by using long, vertical windows whose size was determined by a ratio of "void to solid" and contrasts strongly with conventional "glasshouse" offices.

Double glazing was also installed to curb penetration of traffic noise and heat loss. Heat is recycled thereby keeping down costs. Every floor of the building is based on an open plan design agreed after full consultation with staff. But there is no extensive use of screens and plants to "break up" the open plan area. Instead NALGO has met individual demands for screens according to the type of work involved.

While the lack of landscaping and the use of existing—rather than brand new—office furniture detracts slightly from the overall high standard of working conditions, the office equipment and efficiency is highly geared to the needs of NALGO's members.

Mailing list

The union has a large mailing list of over 625,000 members and the print room has seven duplicating machines and a small rotary press. On average the print department uses 25,000 reams of paper a year.

At the moment NALGO uses its ICL computer mainly for accounting and record purposes. It maintains the accounts, for example, of members who have mortgages with the Brittania Building Society, with which NALGO's own building society merged some years ago. But the union's research department is keen to utilise the computer for statistical analysis of Government budgets and other data, as well as building its own econometric models of how the economy is performing.

The way to avoid cash crises

BY NICHOLAS LESLIE

ALTHOUGH EVERY company is different and needs thinking about differently, it is "an irresponsible management . . . which rejects the simplest of liquidity management techniques." This is a view expressed by Mr. Michael Tennent in a book called Practical Liquidity Management.

To plan a company's liquidity is to "insure against an unexpected crisis," suggests Mr. Tennent. "It is a premium well worth paying in times when business crashes are running at their highest level since the war."

Mr. Tennent's text aims to show directors and managers how and where money can be released in a company to meet or avoid a crisis. It is also designed to illustrate that surplus funds frequently lie hidden in an organisation and that recourse to new borrowing or creation of new equity may not necessarily be the most appropriate first step to meet cash needs for expansion.

The book has been published by Gower Press in about one-third its normal production period in an effort to meet the current interest on liquidity generated by many factors such as the effects on company balance sheets of inflation on stocks and the tight position many manufacturing companies will consequently find themselves in when the expected upturn in activity gets really under way. The mood among many of the financial institutions to which industry turns is that the end of the year should see business activity increasing.

Mr. Tennent's book is not for the theorists of finance and financial management. It has been written as a concise—under 200 pages in length—working textbook. He takes the reader through the effects of inflation and the need to plan for it; the terminology of liquidity management; the options available for raising funds; how to plan cash management in detail; and the practical management steps, including establishing lines of responsibility and monitoring financial results.

Practical Liquidity Management, Gower Press, Essex, £7.50 from bookshops; £8, post and packing paid.

EXECUTIVE HEALTH

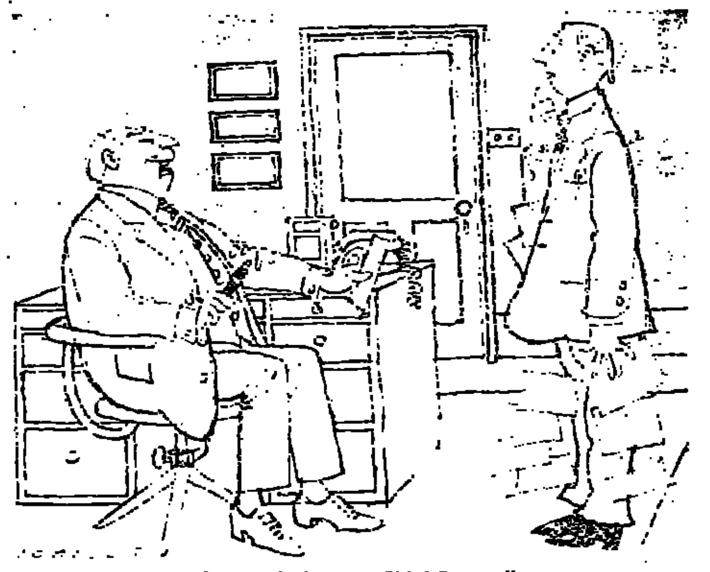
BY DR DAVID CARRICK

Echelons of stress

IN ALL echelons of industry and in other comparable spheres, members of middle management are subjected to most stress. The newly promoted man who is truly worthy of his position presents few problems so long as his private life is reasonably tranquil. If, however, he is worried by financial pressures, a sick wife, taxmen, or turbulent, sleep-shattering infants, he starts each day with handicaps that do not encumber his seniors who have lived long enough to be free of such distractions.

But if the new man has been promoted above his ability, as the result of poor selection or for more sinister reasons, his state is desolate. Adequate or inadequate, however, both varieties will display similar reactions to stress, the latter variety much sooner and with more chronicity than the former.

To ensure the best value from the worthwhile junior, those above must be aware of the tell-tale signs of stress and must act with alacrity. They must help, advise, and guide and, if need be, request the assistance of the organisation's physician. As to the other type, nothing can help them except a transfer to less responsible positions which must however not be so lowly as to destroy their morale or living standards. It must be remembered that, just as it takes two to invoke dismissal, the over-promoted man is the result and victim of another's folly.



"I'm appointing you Chief Stooge."

Promotion

But tools are not always chosen by fools. The calculated selection of inadequate individuals by one powerful man or clique is an age-old means of obtaining yes-men or stooges or henchmen—the nomenclature varying according to whether the method is used in a business, trade-union, secret society or national dictatorship. The methods may vary but the basic principles are the same. If a man is promoted beyond his capability, he is in the thrall of the promoter. The wretch knows that he cannot climb higher: the only change can be in a downward direction. Thus he must be loyal, obedient, subservient and peculiarly pathetic.

I knew an organisation once which carried the system to grotesque degrees. Most of the varying grades of yes-men and their families lived in one locality because of the very attractive house-purchase loans offered by the company. This meant that wives moved into different strata of a demi-society in direct ratio to their husbands' position. Thus, even if an executive was aware of his inabilities and was fearful and even a little ashamed, his wife would make sure that any such decadent notions were disregarded at the expense even of the man's physical and mental health. Not unnaturally, stress-induced illnesses were common, and there were as many widows as are found in a party of American tourists.

One theoretically high-ranking executive, whose frequent minor illnesses and dyspeptic visage told their own story, did *not* live in the "dormitory," something that caused him much worry when his car broke down. Knowing that my route passed fairly near to his home, he requested a lift. I agreed but stipulated that he must leave at my convenience which was somewhat earlier than rules I believe existed. This agitated him; but I was his only hope, so we set off at 5.20 p.m. into a snowy dusk.

Some 20 minutes later the man began to fidget and wipe his brow despite the cold. Eventually he begged me to stop. I asked him if he felt sick, but he muttered a denial. "I just thought I'd like to walk the rest of the way," he said. I gazed at him. "I suppose you realise that it is seven miles across fields and that a severe blizzard is blowing," I said. He did, but it took me a long time to discover the reason for his perturbation.

"You don't understand," he moaned. "Usually at this hour I haven't even left!" That I did not doubt, but said cheerfully that his wife would get a nice surprise for a change. "Nice surprise," he repeated. "She'll think I've been sacked!" Not wishing a frozen corpse on my conscience, I offered to go with him to make the peace. When we arrived at his over-neat semi we found a sharp-faced woman brushing snow off her garden gnomes. I cannot say she was pleased to see us, particularly me as I was smoking. I left soon because I always feel uncomfortable if a hostess follows me about with an ash-tray, and I did not feel wanted.

Soon afterwards the poor man perforated a gastric ulcer and I visited him in hospital. He was in great pain yet managed to do something I had never seen before: he smiled. I have always thought how sad it was that the pain made him happy because it enabled him, for a little while, to shelter from well-paid slavery *and* a soulless scold.

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MONDAY, JUNE 28, 1976

Dr. Kissinger, I presume

THE MEETING between Dr. Kissinger and Mr. Vorster, held last week despite mounting international criticism of apartheid, was historic in a number of ways. Although the United States has long maintained diplomatic relations with South Africa, over the last 30 years there have been few contacts outside the diplomatic sphere and none involving a South African Prime Minister and the U.S. Secretary of State.

Further, in the last few months, spurred on by the Angola débâcle Dr. Kissinger has found a new interest in Africa, a continent which he has hitherto ignored. Clearly he sees his meeting with Mr. Vorster as marking an important new stage in what he termed, on his April visit to Africa, a "new era" in American policy towards the Continent.

Exploratory

The main focus of that policy now is clearly Southern Africa and there, as Dr. Kissinger reiterated in Bavaria last week the main aim is to promote peaceful rather than violent solutions to the area's racial conflict. It is much too early to tell whether his controversial and diplomatically difficult meeting with Mr. Vorster has furthered that aim. Few details have emerged on the content of the discussions, but it seems certain that they were primarily exploratory. Given the lack of contact over the years, both men were, it seems, mainly concerned to discover the nature of the other. There is no evidence to suggest that Dr. Kissinger presented a package of proposals to Mr. Vorster which would require concessions or action from South Africa on for example, Rhodesia or Namibia. Whether that stage may come later will depend on both the evolution of the contacts which are apparently to continue between South Africa and the U.S. as well as on the situation in Southern Africa itself.

Certainly in the region itself, there does not at this moment seem much room for any new American or South African initiative. On Rhodesia, it seems probable that Dr. Kissinger and British Ministers whom the U.S. Secretary met on Friday have come to the same conclusion. For the time being, Mr. Ian Smith shows no sign of wanting to negotiate a peaceful transition to majority rule. The guerilla war therefore seems likely to go on until the point where Mr. Smith — or a successor — is ready to come to the negotiating table. In the interim there seems little likelihood of Mr. Vorster bringing greatly increased pressure to bear on the white Rhodesians, both because his face is set firmly against economic boycott, and because, in the wake of Soweto his own white electorate will not brook such action.

Concessions

These domestic pressures may also make it difficult for Mr. Vorster to make meaningful concessions on Namibia (South West Africa) although this is certainly one area where Dr. Kissinger is believed to feel some progress might be made. The American position, similar to the British, is that SWAPO, the main black nationalist movement, must be included in the current constitutional talks in the territory. One suggestion that may have been made in Bavaria is that a changed venue for the talks — say to Geneva, a neutral capital — might make this easier for both sides.

But there is probably a long way to go before Mr. Vorster is prepared to accept even concessions of that sort. And meanwhile it is difficult to avoid the conclusion that at least in the short run it is he, rather than Dr. Kissinger, who has gained most from the meeting.

Mr. Vorster has certainly gained a propaganda point in his contention that South Africa —apartheid or not—is a part of the "civilised Christian West." Dr. Kissinger's own sensitive position in black Africa has not been helped by the U.S. veto on Angolan admission to the UN on the very day of the Vorster meeting. But that is one more reason why the black Africans, who in the end will make the running in Southern Africa, still feel that the U.S. Secretary's welcome statement of a new African policy has yet to be translated into action.

Accountability of public bodies

THE concern expressed by the Public Accounts Committee last week about the lack of adequate information about the activities of some of the bodies which either spend public money—notably the National Enterprise Board—or which may become a charge on the public purse, as have the Crown Agents, is understandable. The Committee and its Chairman, Mr. Edward du Cann, have been increasingly restive about the role of this senior Parliamentary committee for some time, and now want to embark on a general review of its functions. They increasingly regard the division between their own function, that of vetting the actual spending of voted funds, and the policy review functions of the Expenditure Committee as an artificial one, and wish to take a greater interest in policy questions.

Lame ducks

Their concern over the National Enterprise Board is very relevant to this broader preoccupation, because the NEB is a body which effectively creates public policy as it goes along. Its terms of reference, as is pointed out to-day in a pithy memorandum from the Association of British Chambers of Commerce, are anodyne but vague; within those terms it can be almost anything from a nursing home for lame ducks to an instrument of nationalisation beyond Parliamentary control.

Mr. du Cann argues that as an assertion of Parliamentary control over the executive, his Committee should have the right to demand the fullest information about the activities of the NEB; and so far as the general trend of its policies is concerned, it is clearly desirable that Parliament should be kept informed and should assert its right to challenge policy as it becomes apparent. The Committee's demand, however, seems to go somewhat further than this; it regards the NEB as a device behind which public intervention in industry can be screened from Parliamentary supervision in a way that was not possible when Departmental funds were involved.

If the NEB should prove to be simply a new form of politically-directed intervention under a handy institutional disguise, this demand for Parliamentary scrutiny would be fully justified; but as the ABCC points out, it is very much to be hoped that this is not how the NEB will function. The potential merit of the idea is to take a part of industrial intervention out of the system of political decision-making, and put it into the hands of a body which has both the business expertise and the continuity to apply long-term business planning to its operations.

Intervention

The most constructive role which a Parliamentary Committee could play in the affairs of the NEB would be to preserve it from this kind of amateur intervention, and to discover how far its future actions represent its own interpretation of its broad brief, and how far they are the result of detailed political direction. It is the job of the Committee to be a thorn in the side of the executive, rather than to look over the shoulders of the management of public enterprises in their day-to-day decisions. Too much intervention at the management level would simply drive the NEB and its political sponsors into a defensive alliance, and destroy whatever potential value there might be in an independent body of this kind; and enterprise itself, which must entail the taking of risks, will hardly flourish under the kind of scrutiny which the Public Accounts Committee traditionally applies. That scrutiny indeed needs to be broadened, and to cover the extra-Parliamentary policy making implied by many spending decisions: but the Committee should stick to its traditional quarry, Ministers and their departments.

Neddy has agreed manufacturing needs greater support. But so far neither Government, TUC nor CB[I] has commitments to specific plans. **Adrian Hamilton** describes how the work is developing.

Industrial strategy: early days, but still problems

THE GOVERNMENT is in a hurry to get its new industrial strategy: at a recent dinner Mr. James Callaghan reportedly buttonholed Sir Ronald McIntosh, director-general of the National Economic Development Office, to ask him for the speediest possible report on the results of the industrial strategy working parties and the problems of bottlenecks which they have been studying.

The "industrial strategy" set in motion by the Government nine months ago may not be everyone's idea of a strategy as such. Indeed there are precious few even among those working on it who appear to have any clear idea of what the strategy is supposed to be about. But the work of the 39 groups investigating the outlook and problems of most of the major manufacturing sectors of the economy is unquestionably being taken seriously by Ministers and officials alike. And when the full National Economic Development Council meets on July 7 under the chairmanship of the Prime Minister to review the progress and respond to the recommendations of the groups it will be to consider positive actions not merely slogans.

Resources to industry

This expressed commitment to action by Government has so far distinguished the current exercise from previous efforts to create some industrial planning framework by providing growth targets from the top. In so far as the strategy represents a broad political acceptance of the argument, by union leaders as well as politicians that the manufacturing sector of the economy has been too long undervalued relative to the service sectors, and that the time has come to divert resources back into industry, it could already be said to be having a pronounced impact on Government policy.

Mr. Denis Healey's remark in April that his budget was an "NEDC budget" may have been somewhat exaggerated in view of the limited range of fiscal benefits actually given to industry. But the reduction of higher VAT rates, the abolition of stamp duty on fixed-interest stocks and the suggestions that medium-term loans by the clearing banks might be made eligible for refinance at the Bank of England were all changes which NEDO and its working parties had pressed for.

The relatively favourable treatment accorded to aid for industry in the public expenditure review earlier this year; the development of selective aid schemes under the Industry Act; and the general Government effort to prove more sympathetic to business have all taken place under the umbrella of the "industrial strategy."

At the level of officials, the strategy has already gone much further. Despite the continued differences between Departments as to where the strategy should eventually lead (there are proponents of interventionist planning in the Treasury, just as there are officials in the Department of Employment who have yet to see the point of it at all), the attempt to co-ordinate all the forces of Government to help industry has brought with it an almost unprecedented degree of co-operation between the various Departments concerned.

If it has been the Government together with the office of NEDO which has made most of the running so far, however, it is the work of the tripartite sectoral groups studying the problems of individual industries which is supposed to develop from the all-day meeting of the Council on July 7. Perhaps it is the word "strategy" which is misleading about what is going on. For in the military sense, the one factor which the industrial strategy lacks is a "grand plan" worked out at the top. The object on this occasion is quite deliberately to avoid anything which smacks of national plans, centrally formulated targets (the Treasury has so far refused all calls to present any medium term forecasts to the Council) or central management through "go-for-growth" policies.

Instead, the idea has been to switch from the macro-economic to the micro-economic context, building up the picture from the bottom up, sector by sector —concentrating at first on certain short-term problems such as bottlenecks or difficulties specific to one industry, and attempting to develop over the medium-term individual industry "strategies" in the business sense of the word. These can then be fed in on a regular basis to the Treasury's budget planning at the turn of the year.

Renewal of Assets

As each problem is encountered, so according to the theory, it can be referred to the relevant institution or form of aid for solution. If it is a question of the renewal of assets, then it might be a case for an industry scheme such as

Sir Ronald McIntosh, Director-General of NEDO.

that for iron foundries or printing machinery. If it is a question of organising an agreed solution to a problem of rationalisation or investment, then it may be the "planning agreements" procedure that is best used, as in the case of the current discussions between the Government and the turbo-generator interests. If it is a question of a financial gap or re-organisation of an industry structure, then the National Enterprise Board could prove the answer, as in the case of counter-cyclical stocking of machine tools, or the provision of a Government presence in major consortium contract tenders abroad. While the Government plays its part in bringing aid to bear, the hope is also that the tripartite framework of Neddy discusions can lead to agreed "strategies" within industries to improve performance.

"Taken individually," Sir Ronald McIntosh argues, "the recommendations and actions of the sectoral study groups may seem small. But taken together they could have a profound impact on industrial development in this country."

Yet it is precisely this jump from the analysis of the particular to the development of something broader which has still to become evident, for all the proclamations and self-congratulation which are bound to accompany the meeting on July 7, with its Press conferences and Prime Ministerial seal of approval.

The work of the various sector groups has been pushed at an intense pace to get their reports ready within six months. Whether it was wise to choose so many sectors—and the widening of choice was as much a matter of avoiding hurt feelings among those left out as anything else—the results can certainly be expected to be patchy. Some industries such as chemicals, textiles and mechanical engineering have long had experienced and forward-looking little Neddies and can be expected to produce well-argued papers, even if their conclusions will differ little from their previous recommendations. Other sectors such as bearings have yet to have groups properly established at all, while others yet have produced rushed jobs with little more than the obvious said.

The recommendations vary widely from broad generalisations about manpower and the need for better marketing, without any specific ideas on how these problems are to be solved, to the highly specific difficulties—such as differing local standards and the imposition of Health and Safety rules in the food and drink industry, or the use of Government research facilities for testing equipment to overseas standards —to broader calls for changes in export finance provisions, more orderly patterns of Government ordering of plant, and changes in the direction of education. There are certain general themes that occur—the criticism of the role of the banking institutions in finance, the problems of product design and the need for more skilled manpower—but nothing which is either dramatically new or constructive.

At the specific level, all this could prove, no doubt, useful if taken up, if only in removing potential bottlenecks. But at the general level, it still lacks a commitment by the non-Government participants to tackle the underlying problems of low productivity, low investment, and often poor design of much of British manufacturing, well-documented though these problems are. Inevitably in an exercise of this sort, the main weight has been cast in the direction of calls on Government for action. While the CBI and TUC seem to have taken the exercise both seriously and energetically, the unions have so far avoided any of the problems of productivity or labour-shedding in their quarter just as industry has yet to commit itself to any of the issues of structural re-organisation, selective investment or design improvement at their end.

And if the CBI and TUC have yet to move to positive commitment, so in a sense has the Government. To agree to consider recommendations on the specific is one thing. To develop a real transfer of resources to manufacturing industry is another. At a time of public expenditure restraint the real test will be whether the Department of Industry's budget *is* kept sacrosanct and, much more important, whether the Government is willing to go further and allow a major shift of resources to provide incentives for the private sector at the expense of real cuts in the public sector.

More fundamentally, the options of policy development have yet to be faced. From the beginning of the exercise there has been an uneasy compromise between those who would see the strategy develop towards an unspoken "picking of winners" approach through the concentration of resources on growth sectors, and those who feel that the problems of British industry are too widespread for such selectivity, that the Government does not have the capacity to make such choices, and that the strategy should develop from the bottom up as a tripartite effort to improve productivity throughout.

If the strategy is to grow in the sense of building up a planning framework, then a decision will have to come eventually as towhether a degree of *dirigisme* and choice is made on the sectors to put resources into and the sectors to allow to decline and the way in which these choices can be fitted into regional policies.

This is certainly the direction which the Department of Industry, supported by the Treasury, would seem headed for, with its concentration on "middle technology" industry aid schemes and its determination to avoid being sucked into major rescue operations solely to maintain employment.

But it immediately brings up all the problems of choice a[nd] of interventionism which t[he] strategy has so studiou[sly] attempted to avoid so far in t[he] Government's efforts to bri[ng] about a *rapprochement* with [in]dustry over the last year. [To] talk of developing pet[ro]chemicals on the back of Nor[th] Sea oil and gas immediat[ely] poses the problems, as it alrea[dy] has, of getting existing co[m]panies to build export-orient[ed] plant or inducing newcomers [to] do so (in the case Dow Chemi[cal] which has been offered Gove[rn]ment financing aid). To talk [of] developing electric motors [or] diesel engines raises the qu[es]tion of rationalisation in the [in]dustry and who is to carry [it] out, just as to discuss [a] rational winding down of [an] industry like shipbuilding rai[ses] all the questions of employm[ent] that Leyland and the res[cue] cases have done, with no guar[an]tee of any tougher attitude [by] Government.

Not French planning

It would be unfair to [ask] too much of the industri[al] strategy at this stage of [the] game. The industrial strat[egy] is neither a French planni[ng] exercise nor, as even its stron[g]est proponents would admit, [a] recipe for industrial rena[is]sance. For the moment it [re]mains a useful rationalisa[tion] for Whitehall's desire to m[ove] from blanket assistance a[nd] short-term rescue to selecti[ve] aid and a concentration of [re]sources, just as it also remai[ns] a useful slogan for politicia[ns] to gain acceptance of the nee[d] for profit and for investment.

In its emphasis on [the] specific within a triparti[te] forum, it at least avoids som[e] of the problems of past exe[r]cises and has some chance [of] surviving political chang[e]. Whether it grows into som[e]thing more than a slogan an[d] an excuse for officials to indulg[e] their natural desire to tink[er] with systems into a forum [in] which unions and manageme[nt] genuinely commit themselves [to] change, and in which Gover[n]ment gradually erects [an] apparatus of consensus planni[ng] will take time to emerge. C[er]tainly it will not be appare[nt] on July 7, nor probably f[or] some time after. What matt[ers] in the end, after all, is not [so] much the specifics of wh[at] Government can do in any g[iven] sector, useful though this m[ay] be, but the problem of over[all] growth which can only in tu[rn] depend on the right over[all] environment for business a[nd] investment.

MEN AND MATTERS

Where should charity really begin?

The offer for sale of shares in William Leech (Builders), is unremarkable in terms of size, but it does have the intriguing aspect that shareholders are being asked to invest in a company where a virtually controlling (37.1 per cent.) stake will still be held by a company which is wholly owned by five charities—and deeply religious ones at that.

In most circumstances this should matter little since charities are as interested in money as anyone else. But what might happen if a bid came from a source morally unacceptable to these major shareholders?

There is, most people would agree, a precedent. In 1969 the U.S. group General Foods made what seemed a fairly handsome offer for Rowntree. The Rowntree Trusts which controlled 56 per cent. of the company virtually blocked the offer by refusing to come off the fence and the matter was clinched when Rowntree itself made an agreed bid for Mackintosh, General Foods retiring hurt.

One of the problems with charities is that they pose the Takeover Panel with more problems than most (which takes some doing). If a charity is committed to the revival of Welsh Nationalism in Patagonia then it can reject any offer for a shareholding—however apparently generous—if its view is that the offer does not forward its aims.

I put these points to Ian Menzies of Schroder Wagg, the bank which is handling this particular issue and, ironically, advised Rowntree back in 1969. He admitted quite frankly that

"It's the only pairing arrangement the Tories would accept."

in the case of a bid situation arising he could not vouch for the way that the five charities would react. In fairness, he also pointed out that in the Leech issue there are certain special factors: the charities' holdings are at one remove from the company going public, they are quite independent of each other, they each have an equal share in the Leech Foundation which holds their 37.1 per cent. interest, and there are four William Leech directors on the Foundation Board.

My hypothetical case therefore becomes even more hypothetical since it would require unanimity among the five charities to swing the shareholding in any given direction in the face of opposition from the Leech Board.

But in general terms, where substantial charitable holdings are involved in a new issue there is a strong argument for a prospectus statement of attitude and intent on the part of the charities as to how their aims will affect their judgement in takeover situations, boardroom rows, or any other situation where outside shareholders' interests would be involved.

Catastrophe . . .

The heat is affecting the rich as well as the poor. My hosts at Wimbledon on Saturday told me a phone call they had received from the secretary of another guest. "I as so sorry Mr. . . . is going to be late," she said, "But the air conditioning in his car has broken down."

. . . and mixed luck

Later, on Saturday evening, it was an exuberant if breathless Lord Wigg who padded round the greyhound track at the White City Stadium, London. Exuberant because Mutts Silver, the dog in which he has a one-sixth stake, had just won the £15,000 Spillers Greyhound Derby, the richest dog race in the world. Breathless because he was attempting to tot up his winnings.

"I'm over the moon, over the moon," said Wigg, Paymaster General in Sir Harold Wilson's 1964 Administration, former chairman of the Horserace Betting Levy Board, and at 75 still a bundle of energy.

Wigg's partners in the lucky syndicate are Britax managing director Alex Smith, Ray Lancaster, editorial manager of The Sporting Life, a Knightsbridge greengrocer, a South London glazier and Michael Harris, a solicitor who is Under-Sheriff of the City of London.

They have 11 dogs in training at Wimbledon at £8 a week each, but Mutts Silver is the star. The dog cost £1,250 when bought in Ireland last October, has now won a little over £16,000 and is valued, for stud purposes, at approximately £100,000.

Apart from his share of the Spillers prize money, Lord Wigg had backed Mutts Silver a fortnight ago with a tenner at 150-1. "I wonder how I can keep that from my family," he said after the race. (He can't now!) Others in the syndicate had backed the dog at 300-1.

The White City is, of course, owned by GRA Property Trust, which is now looking to its 11 dog tracks to bail it out of its well-publicised troubles. Its operating profits from greyhound activities in the six months to April were £690,000 and should improve on that in the current half-year.

"We've every expectation of surviving," said chairman Edward Aaronson, "of earning our way and paying off our creditors."

But even on "Derby day" GRA suffered a stroke of ill luck. In the last race the No. 2 dog lost sight of the hare, stopped, and started running back the way it had come, its fellows close behind it. The race was declared void, costing GRA around £2,000 in revenue.

Good hunting

Living, as I do, on an open-plan estate next door to a dairy farm I was less than pleased when around 50 cows broke loose and trampled over my, and everyone else's, front gardens. I was somewhat compensated, however, by the report of the incident in the local newspaper under the headline "Cows searched for an early breakfast." Perhaps a dawn raid by the CID looking for "grass"?

Observer

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FINANCIAL TIMES SURVEY

Monday, June 28, 1976

Egypt

In pursuing a Middle East settlement Egypt must take into account the wider Arab world. But its economic problems make peace necessary. In its attempt to recover by 1980, austerity at home, as well as aid from abroad, will be required.

...hard ...oad ...es ...head

...Richard Johns
...le East Editor

...RECENT months the *jet* ... in the Nile River opposite ...'s newest luxury hotel has ...mittently burst into life, ...ting its plume of water ... about the skyline. The ...President Nasser had vowed ... it would not be reactivated ... every inch of Egyptian ...tory occupied in 1967 had ... recovered. Its occasional ...pearance should be seen ...ymbolising not only the ...ient optimism of President ...t but the conviction—so ...ssary politically for his ...ne—that the October War ...73 did constitute a decisive ...ry which has enabled ...t to embark upon a course ... economic recovery and ...alisation.

...ypt has regained a physical ...ence in Sinai and the ...elis have pulled back ...ond the strategic mountain ...es. As a result of the first ...ngagement with Israel back in January, 1974, the Suez Canal has been open for a year now and the traffic through it increases by the month, providing Egypt with much needed hard currency. As a result of the second, last September, Egypt has enjoyed again the revenue from the Abu Rudeis oilfields. The reconstruction of the devastated towns along the waterway and the infrastructure of the zone proceeds apace—perhaps the brightest aspect of the country's unspectacular development performance.

The progress achieved, however, cannot disguise the fact that Egypt has not resolved its basic predicament. Both the country and President Sadat must look to a peaceful settlement because Egypt cannot contemplate the cost of a military solution to the conflict or the burden of military expenditure which it has carried since 1967 and which has almost fatally retarded its development. Yet at the same time Egypt must take full account of the pan-Arab imperative of recovering all the occupied territories and, even more problematically, achieving the fulfilment of imprecisely defined "Palestinian rights."

President Sadat committed himself, of course, not to reach a separate peace settlement with Israel. Equally important, Egypt is desperately beholden to the oil-rich paymasters of the Gulf merely to keep its head above water economically over the next five years. For their own reasons of idealism and self-interest they will be anxious to ensure that Cairo does not default on its wider political obligations, which no Egyptian leader, probably, could renounce and still retain power. The room for manoeuvre is narrow and difficult for President Sadat to tread.

Now, certainly, Egypt's predicament is more uneasy and uncomfortable than it was a year ago. The Sinai pact gave the country only some 720 square miles, a tiny fraction of the peninsula. More seriously, it left Egypt more isolated than perhaps ever before; the deal was bound to be attacked by Syria, the Palestinians and Jordan, the other parties to the conflict which had not been consulted about the negotiations leading to the agreement.

Predictably Syria, Iraq and Algeria—the "Rejection Front"—assailed the pact with varying degrees of intensity. Saudi Arabia and Kuwait were not unsympathetic to President Sadat, appreciating his need for more progress towards a settlement, but could hardly applaud an accord which so gravely offended the "front-line" States and the Palestinians and which was regarded by others too as a breach of the Rabat Arab summit decisions.

Difficulties

The furore had no political repercussions at home, but it did highlight the difficulties for President Sadat in balancing what might be seen to be the narrower national interest with the wider responsibility which Egypt as the centre of gravity of the Arab world and its most populous State must feel.

Egypt rejected Israeli offers of a separate peace agreement and did not submit to the demand for a formal end to the state of belligerency. It could argue that the agreement of September 1975 was purely a military one of a kind not ruled out by the collective decisions of the Rabat summit. Nevertheless, consent to the passage of Israeli cargoes through the Suez Canal, the reconstruction of the towns along the waterway, and the attempt to involve foreign capital in projects within the "Free Zones" show an unstated, though very evident, intent that Egypt will not go to war again with Israel. The partial demobilisation of the armed forces would suggest the same.

In practice, the second Sinai pact has insulated Egypt from the conflict—a fact deplored by critics of President Sadat not only in the Arab world but also in the country itself. The latter are those who would question his decisive turn towards the West and deterioration in relations with the Soviet Union. The switch in direction deprived Egypt of the supply of foreign weapons without which it could not confidently contemplate a resumption of hostilities anyway.

President Sadat's frustration on this score, and specifically over the Russian refusal to allow India to supply spare parts for MiG 21s, was spelt out in his speech of March 14 in which he announced the termination of the 15-year Treaty of Friendship of Cooperation, signed by himself in May 1971.

Even before the expulsion of Soviet advisers from Egypt in July, 1972, the Kremlin leadership was distrustful of him and may well, as he alleged, have tried to unseat him from power in 1971. After the latest rebuff it would presumably want a very decent spell to elapse before strengthening Egypt's arsenal again as long as President Sadat is in power.

Deluge

In the meantime only in Israeli minds could the commitment to supply Hercules transport aircraft be seen as presaging a deluge of U.S. arms into Egypt. With grant aid ordained by the Rabat summit Egypt has contracted to buy a few squadrons of advanced Mirage F-1 fighter-bombers and may obtain other hardware in this way. Sophisticated equipment ordered by the oil producers may be available or destined for Egypt. From a variety of sources Egypt could manage to obtain spare parts for Soviet aircraft and tanks.

Yet, by the admission of the late Field Marshal Ahmed Ismail in 1973, it would take many years to change to Western weapons systems. As it was, the President's assertion in his March 14 speech that in a year and a-half "weapons in my possession would be rendered scrap" was ill-received by the officer corps and prompted his subsequent hectic tour of military bases to reassure the military.

The question remains how Egypt would react to an outbreak of hostilities on the Arab "Eastern Front" and—if President Sadat held back—what would be the repercussions. He has said that Egypt could not be held responsible for the consequences of a conflict initiated by Syria but would rally to its side if Israel were the aggressor. The issue would not necessarily be so clear cut.

In the meantime, stung by the abuse hurled at him by the Damascus media, President Sadat has been happy to witness Syria's discomfiture in Lebanon and political isolation because of it. President Assad's acceptance of the need to "Arabise" the mediation partially may be of some consolation to President Sadat for the fact that Egypt has been left almost powerless on the sidelines in a manner which would have seemed inconceivable in the Nasser era.

In a kaleidoscopic shake-up typical of the Arab world, President Assad's alienation of the Palestinians led to an Egyptian rapprochement with them. It has been an ironic change in the picture considering Syria's more forthright support in the past for Palestinian claims. If and when the Geneva Conference reconvenes, those are likely to pose a more difficult problem for Cairo than Damascus.

Egypt has put a heavy trust in the ability of the U.S. to deliver a Middle East settlement and President Sadat's conviction that only it can do so may seem unassailable in logic. Yet the turning away from the Soviet Union towards the West and the policy of military disengagement have their opponents in the country.

Some who would describe themselves as "Nasserites" would deplore the manner in which Egypt has become detached from the conflict. The label is a difficult one to define but is as much to do with nostalgia for the late leader and his "heroic mission" as anything else.

For different reasons the Communists on the Left and the Moslem Brothers on the Right would deplore the move towards detente. The biggest unknown quantity, meanwhile, remains the armed forces, for two decades an unpolitical body but now more than ever probably, a factor of which the regime must take full account.

No politically conscious Egyptian has lost the fully plausible belief that his country remains the natural leader of the Arab world. However, not since the revolution of 1952 has this ancient nation been so inward-looking and pre-occupied with its own internal problems, which are basically economic and largely the heritage of the long confrontation with Israel. Weary of the long struggle and sacrifices it has imposed on them, most people are more deeply concerned than ever with the improvement of living standards and the economic recovery of the country. Here lies the biggest challenge facing President Sadat.

On the domestic front he has pursued a fairly bold, honest and enlightened policy of political liberalisation. It has been appreciated by the middle classes. Egypt is a far more pleasant place in which to live—the cost of living apart—than before President Sadat's "Corrective Revolution" of 1971. The accompanying economic liberalisation has been a step in the right direction away from the oppressive, dirigiste Nasserite Socialism. But it has yet to pay any dividends and, in particular, has failed to result in productive foreign investment. So far the effect of the measures may even be regarded negative.

Bringing about economic recovery and sustained development is the biggest challenge facing the regime. The October war saved Egypt from virtual bankruptcy by bringing forth substantial aid from the Arab oil producers. Egypt is now more dependent than ever on its continuation following a two-year period during which its balance of payments has deteriorated gravely.

Future generosity has been made dependent on a stabilisation programme that will mean a painful degree of austerity if it is to succeed. The theory is that the already tightly squeezed middle classes will be affected most but it is difficult to see the "masses" not feeling its pinch too.

The danger is that the liberalisation policy might be discredited before it has had a chance to succeed. The opposition to the regime, which also focuses on its internal policies, might be only too happy to see and exploit discontent such as was demonstrated in the January, 1975, riots in protest against the cost of living. On the domestic as well as the pan-Arab front President Sadat has little room for manoeuvre and must tread with delicacy.

The external deficit

BY MOST objective criteria Egypt's economic plight is now as desperate as it was on the eve of the October War of 1973. Then, as President Sadat later revealed, the country was on the verge of bankruptcy—without a "single piastre" of hard currency, unable to pay its debts and uncertain about the availability of a "loaf of bread" in 1974. Egypt was, of course, saved by the flood of grant aid which flowed in from the Arab oil producers in the wake of the conflict.

By going to war with Israel it could be said that President Sadat had earned the money. Not only did the crossing of the Suez Canal salvage Arab pride, alter the regional balance of power and open the way to recovery of lost territory but it also created the conditions making possible the quintupling of oil prices in 1973-74 period. Egypt could also claim that it was owed such a debt, having shouldered the burden of the confrontation against Israel at an estimated cost of over £40bn. in outlays and losses.

Deficit

Having overcome the immediate crisis in the winter of 1973-74, Egypt last year saw its payments deficit on current account (before the receipt of grant aid) rise to nearly four times the 1973 level and its indebtedness more than double. The difference in the situation was the availability of substantial aid from surplus Arab countries and, to a lesser extent, the U.S. However, after donating the best part of $3bn. until the end of 1975 and lending more than $1bn. on concessionary terms, the oil producers have made it clear that there are limits to the amount of money which they are prepared unconditionally to pour into what has come to look more and more like an insatiable sink.

When they met in Rabat in April, the Finance Ministers of Saudi Arabia, Kuwait, the United Arab Emirates, and Qatar committed their Governments initially, at any rate, to providing over a five-year period only $2bn. for the "consolidation fund," compared with the $7bn. to $11bn. originally sought by President Sadat. Together with the $750m. he obtained on his Gulf tour earlier in the year, an annual allocation from the fund of $400m. would mean $1.15bn. in budgetary and payments support for 1976—which will certainly not be enough.

On the face of it, there is a danger that the flow of this aid may be affected by developments in the region and pan-Arab politics, in particular reluctance or refusal by Egypt to confront Israel militarily in a way which the country cannot afford. More immediately, the surplus Arab producers have now demanded as a condition for their assistance that Egypt should start the long process of putting its house in order economically and work towards paying its own way.

Thus, the Government has embarked upon a stabilisation programme, drawn up in conjunction with the International Monetary Fund, which is bound to prove painful.

Back in 1974 the Egyptian Government was well aware of the critical challenge ahead and justified in exhorting the people to brace themselves for the "economic crossing." The hope was that, with self-sacrifice and effort, it could be made by the end of 1975, enabling the country to embark upon steady development and growth thereafter.

During the 1976-80 period there should be substantially increased investment with plenty of project aid in the pipeline (although precious little foreign investment in sight). Egypt will profit by greater earnings from oil production, dues from the Suez Canal, receipts from tourism and remittances from nationals working abroad. But discipline and austerity, involving fairly drastic cuts in consumption, will have to be the order of the day for at least another five years if the ground is to be laid for a lasting recovery and soundly-based growth in the future.

Egypt has paid a heavy cost, which it will take many years to defray, for the confrontation with Israel. Official estimates for GDP should be treated with some caution, but on the basis of them Egypt's military and defence-related expenditure can be seen to have risen from something like 7 per cent. in the financial year 1967-8 to 21 per cent. in 1973. In that year it had accounted for 58 per cent. of the current budget. These figures do not, of course, take into account the greater part of the military debt to the Soviet Union which at the beginning of this year was publicly put at the equivalent of $6.9bn.

The military burden was the main reason for the slow average rate of growth of no more than 3 per cent. in the 1967-73 period, only marginally ahead of the annual increase in population. Because of the foreign exchange problem, industrial production fluctuated according to the supply of raw materials and components. In 1973, for instance, it dropped by 9 per cent. There was a failure to renovate industrial machinery and enlarge capacity which limited Egypt's ability to substitute for imports and manufacture exports. Significant investment took place in the chemical, engineering and metallurgical industries, but very much at the expense of agriculture.

BASIC STATISTICS

Area	386.900 sq. miles
Population	39m. (est.)
GNP (1975 est.)	£E4.4bn.
Per capita	£E110-120
Trade (1975):	
Imports	£E1.69bn.
Exports	£E613m.
Imports from U.K.	£108m.
Exports to U.K.	£41m.
Currency: Egyptian £	
£1=£E0.7 (official rate)	
£1=£E1.2 (parallel market)	

Taking both the short-term and the long-term view Egypt's predicament was desperate in 1973. In that year the payments deficit on current account leapt to a record £E261.3m. ($686.3m.) compared with £E205.5m. in the previous year. It would have been a great deal larger if it had not been for the virtual cessation of imports in the last quarter of the year. Debt-servicing and meeting suppliers' credit obligations accounted for 30 per cent. of foreign exchange earnings and on capital account. Worse, the use of expense, short-term bank credit reached a level of £E400m. ($1.02bn.).

In the event Arab aid amounting to £E286m. ($730m.) flowed in—or £E210m. above what Egypt received, anyway, from the "Khartoum grant" which Kuwait, Saudi Arabia and Libya had been providing since 1967. More or less covering Egypt's deficit on current and capital account, it certainly averted a crisis. But it could also be seen as having enabled Egypt to live beyond its means in 1974 and 1975—in a manner it never would have contemplated in the past.

Since the October War, Egypt has experienced a faster growth rate. It has been estimated at rather more than 6 per cent. for 1974 and 5 per cent. to 6 per cent. in 1975, with the increase being wholly accounted for by industry and construction. The rate of investment rose, but so too did military expenditure both absolutely and as a proportion of GDP in the aftermath of the conflict. The main drain on Government finance, for which world commodity prices were largely responsible, was subsidised essential foodstuffs.

Together with subventions to cover the deficits of public organisations, their share of the current budget went up from 20 per cent. of the 1973 expenditure to 33 per cent. in 1974 and 38 per cent. in 1975. The overall deficit, meanwhile, increased from £E386m. in 1973 to £E654m. in 1974 and £E971m. in 1975. Nearly all the deficit was financed by domestic borrowing from the social insurance and pension funds and, increasingly, the banking system.

In 1974 the deficit on current account increased two-and-a-half times over the previous year's level to £E637m. ($1.62bn.), in spite of a 65 per cent. increase in exports, the value of which were boosted by high cotton prices and sales. The recovery to something like full capacity led to a marked expansion of imports of components, spare parts and raw materials. However, the trade balance was gravely upset by escalation of world prices, especially for wheat, and the need for a bigger volume of it. The cost to Egypt of importing this commodity in greater quantities than ever before shot up from £E55m. to £E232m.

BALANCE OF PAYMENTS
(£Em.)

	1972	1973	1974	1975
Trade Balance	−205.5	−261.5	−703.6	−1,078.3
Exports (f.o.b.)	353.7	396.3	653.9	612.8
Imports (c.i.f.)	−559.2	−657.6	−1,357.7	−1,691.1
Services (net)	3.0	2.7	66.2	109.7
Receipts	134.1	166.4	277.6	422.5
Payments	−131.1	−163.7	−211.4	−312.8
Unrequited Transfers	128.2	289.0	509.9	421.3
Current Balance	−74.3	30.4	127.5	−547.3
Capital Transactions (net)	56.4	−31.9	−77.6	153.3
Long-term loans, net	39.5	15.5	−66.8	129.3
Suppliers credit, net	19.2	−46.2	−4.5	32.2
Others, net	−2.3	−1.2	−6.3	−109.8
Errors and Omissions (net)	−3.2	−3.9	−4.9	−9.6
Allocations of SDRs	9.4	—	—	—
Overall Balance	−16.8	−5.1	−200.8	−403.6

Thanks to tourism and expatriates' remittances Egypt went into surplus on the service account. Yet even after the receipt of Arab grant aid including petroleum in kind worth £E493m. ($1.25bn.) there was still a deficit on current account. This coincided with a growing bulge in Egypt's debt servicing commitments which meant that the country was also in deficit on capital account. The overall deficit was only covered by resort to short-term (normally 180-days maturity) and expensive credit from the commercial banks. Utilisation of such finance rose during the year to £E945m.

Even though the cost of wheat imports slipped to £E213m., exports overall were up by 24 per cent. in value. Reflecting the industrial sector's activity, the bill for both intermediate and capital goods more than doubled. Invisible earnings leapt ahead by nearly 60 per cent. largely because of the receipt of Suez Canal dues from the middle of 1975 and also a doubling of the remittances of expatriate workers to £E148m. Tourist and travel earnings were slightly up at £E190m.

Lower

Grants from the Arab oil producers were at a lower level than in 1974 at £E386m., most of which was provided under the assistance decided at an Arab summit meeting in the previous October. In addition, there was £E35m. of private unrequited transfers. Egypt was able to draw more heavily on long-term loans, obtained increased suppliers' credit facilities and reschedule existing debts with the result that there was a surplus of £E151m. on capital account. But this still left a deficit of £E547m.

The country's liquidity was saved by deposits of foreign governments totalling £E515m. ($1.31bn.) placed as part of the international effort to salvage the Egyptian economy. However, the bulk was committed in the spring of 1975 by Saudi Arabia and Kuwait which made available $1.1bn. at 1 per cent. below the commercial rate on a long-term basis, believed to be five years. This enabled Egypt to run down its outstanding expensive short-term credit—carrying an interest rate of 14-18 per cent.—banks from a total of £E945m. at the end of 1974 to £E700m. at the end of 1975.

In this way the structure of Egypt's debt was very much improved and in future should be further assisted by the rescheduling that has taken place over the past year—with the Soviet Union the only major donor yet to have eased terms.

As it was, debt-servicing year cost the Egyptian Gov ment £E287m. ($732m.), or per cent. of foreign excha earnings, apart from the cos servicing and running down debt to the commercial ba The total outstanding civi debt increased from £E1.5 ($3.84bn.) to something £E2.71bn. ($6.94bn.) at the of September last year.

That, of course, was from the military debt w was reported earlier this yea Al Ahram to be as big civilian debt at £E2 ($6.94bn.). The arrangem for its servicing are a secre actual repayments are bu the trade account with Soviet Union. However, long duration of the credits low rates of interest, the m tary debt is known to be aggravating millstone aro the economy's neck.

Richard Joh

EXPENDITURE ON GROSS NATIONAL PRODU
AT CURRENT PRICES
(£Em.)

	1969-70	1973	1974[3]	1
Consumption	2,656.6	3,362.6	3,735.7	4,1
Personal	1,939.6	2,342.3	2,644.2	2,9
Government	717.0	1,020.3	1,091.5	1,1
Gross investment	416.1	502.0	730.2	1,3
Gross fixed investment	350.3	462.0	640.2	1,2
Changes in stocks	65.8	40.0	90.0	1
Net exports of goods and services	−166.0	−275.1	−637.3	−1,0
Exports	425.5	467.9	795.1	8
Less: Imports	−547.0	−672.9	−1,267.6	−1,6
Net factor income	−44.5	−70.1	−164.8	−2
Statistical discrepancy	20.1	—	—	
GNP at market prices	2,926.8	3,589.5	3,828.6	4,3
Memorandum item:				
Gross savings	395.0	482.0	508.5	6
National savings[4]	250.1	226.9	92.9	2
Net transfers[5]	144.9	255.1	415.6	3

1. Year ending June 30. Calculation not wholly consistent w later calendar year series.
2. Provisional Estimate.
3. Preliminary Estimate.
4. Gross investment including changes in stocks plus net expo Equal to GNP less consumption and statistical discrepanc
5. Mainly grants from Arab countries.

Sources: Central Agency for Public Mobilisation and Sta tics and Ministry of Planning.

Ambitious plans for development

"THE PEOPLE really feel that the country is in trouble and we have to face up to the situation—it can't go on for ever," says Dr. Zaki Shaffei, the Minister of Economics. Probably most Egyptians are not fully aware of the extent of the austerity in prospect if the Government really does succeed in curbing deficit financing and reducing the payments deficit. Dr. Shaffei is certainly committed to the implementation of the programme which has the blessing of President Sadat and Dr. Mamdouh Salem, the Prime Minister.

Other Ministers and former Ministers are said to be less than happy with the risks involved in exposing the hitherto highly protected centrally planned Egyptian economy, with its elaborate and complex structure of prices and wages, to the winds of economic reality. But if such a programme is a necessary condition of life-saving Arab aid they have little choice but to persevere with it whatever the dislocations that may occur.

Spiral

Another twist to the inflationary spiral will be an inevitable consequence. No one in responsible circles is prepared to say precisely what the effect on prices will be except that it will not be negligible. For the country as a whole it is difficult to make calculations about inflation and the cost-of-living, anyway, because of the "two nations" into which Egypt, like most developing countries, is divided. As Dr. Abdel-Razzak Abdel Meguid, Deputy Minister of Planning, puts it, "We are a dual economy even if we are afraid to face the fact."

On the one hand, there are those living at or close to the subsistence level provided for by a minimum wage of £E12 a month or toiling as labourers on the land — with the low standard of living indicated by an average per capita income in the country of only $250 and little in the way of expectations. They have been largely protected from inflation by the subsidisation of basic foodstuff rations and will continue to be cushioned in this way. For the "masses" last year's cost-of-living increment of 15 per cent. and this year's of 10-12 per cent. should be sufficient to cushion them from the effects of the programme.

On the other hand, there are the middle classes who do have expectations that have been raised by the liberalisation policy. Already they have been severely squeezed by inflation over the past three years to a degree far greater than the official indexes based on the 1965-66 household budget—a fairly menial basket of mainly price-controlled commodities—would suggest. In the three years to the end of 1975 the consumer price index showed a rise of 30 per cent. and the wholesale price index one of 31 per cent. For the average middle-class family living in Cairo and Alexandria, however, it is reckoned that the rate of annual increase has been at least 25 per cent. and is probably now running as high as 40-50 per cent.

In a country where the after-tax salary of £E100 per month is a good one in the upper-bracket of public sector employment the inflationary pressure has been very great. If they do not own their own homes most Egyptian middle-class families, at least, have security of tenure in rent-controlled, unfurnished apartments. If they do not, then their position is, indeed, dire. The demand for accommodation from expatriate Arabs and, to a very much lesser extent, Western businessmen has more or less quintupled rents in the capital over the past three years—pushing them far beyond the reach of any salaried Egyptian.

It has also enriched a privileged minority—the so-called "fat cats"—whose conspicuous wealth is politically and socially invidious. For the young graduate on his guaranteed starting salary of £E25 to £E30 per month the prospects are very bleak. He would have to mortgage his earnings for 10 years to make a down payment on a less than average apartment at current prices, according to one leading economic columnist who described the accommodation situation as a "time bomb."

Only time can tell just how the public stomachs the medicine or, indeed, how effective the reforms will be in adjusting the trade imbalance. This year the curbs on imports and stimulus to exports are likely to have only a limited effect, but the prospects are for a significantly reduced deficit. On the trade account there will be a positive and substantial contribution from oil, as well as an increase in sales of industrial goods. A good wheat crop and a consignment of 1m. tons of PL480 grain under the U.S. aid programme as well as commodity aid under the $1bn. aid package, should off-set disappointing sales from the 1975-1976 cotton crop. In addition there is the prospect of £E200m. ($500m.) in revenue from the Suez Canal. The indications are that the payments deficit could be cut from the record level of nearly £E1bn. last year to £E700m. or so, a significant step in the right direction.

Yet the country's liquidity crisis remains more serious now than it was a year ago when a major international rescue effort was mounted to keep Egypt afloat. On the credit side there is the $750m. obtained by President Sadat during his tour of the Gulf in February and the $400m. so far pledged by the four surplus Arab oil producers. The rescheduling of the greater part of the long-term debt, expansion of suppliers' credit facilities and disbursements of committed project aid should mean that Egypt will have a healthy net inflow on capital account.

Behind

The difficulties facing the Government can be seen from the fact that by the middle of May it was three to four months behind with its suppliers' credit obligations and up to two months in arrears on its bank-to-bank facilities. To survive this year Egypt will need more cash aid than it has received so far. So far Saudi Arabia, Kuwait, the United Arab Emirates and Qatar have only been prepared to pledge $2bn. to the five-year "Consolidation Fund," or $400m. annually, compared with President Sadat's request for $7-11bn.

The Egyptian Government is clearly optimistic that they may be prepared to increase that commitment. Their willingness may depend on the implementation of the stabilisation programme. As yet, however, it has not even been decided how the fund—which is to be based in Riyadh—will be administered. But it is certain that Egypt will depend on the oil states' compassion, generosity and patience if it is to reach a measure of self-sufficiency by 1980.

Doubts about the inflow of concessionary funds required to launch Egypt on the tide towards self-sufficiency will persist. There are at least good reasons to believe that Egypt will have drastically reduced its dependence on donors by 1980 when, it is hoped, utilisation of bank-to-bank facilities will be down to £E300m., the debt-servicing burden will be reduced to £E190m. and payments will be in something like equilibrium. By then the oil sector should be earning $2-2.5bn. annually if the production target of 1m. barrels a day (50m. tons a year) is reached.

There should be an expansion of industrial exports—although here the performance will be conditioned by the availability of foreign exchange needed for in-puts of raw materials, intermediate goods and components. From th Suez-Mediterranean pipelin there should be an income ne year of $50m. or so. Wi the construction of new faci ties already under way, ear ings from tourism will contin to increase. So, too, will th remittances of the Egypti workers abroad whose emigr tion is almost encouraged f that reason.

In spite of over-populatio and widespread under-emplo ment emigration may prove be a mixed blessing. Depress by the drabness of life and la of opportunity, Egyptians se ing a living in the richer Ar countries tend to be those wi more initiative and bett qualifications. The exodus over 1m. wage-earners has l to manpower shortages rangi from doctors, engineers, a teachers to skilled and sem skilled workers. To meet t needs of his vast programm Mr. Osman Ahmed Osma Minister of Reconstruction, h had to institute a crash pr gramme for training tradesm involving the establishment no less than 77 centres by t end of 1977. The drain expertise and skills is perha one constraint to Egyp development plans which h not been fully taken in account.

As a result of the econom stabilisation programme d aft 1976-80 Five-Year Pl will have to be revised. As Imam Ibam says, "The syst of planning has to be adap to the system of economic m agement." The latter is bei changed and there are also uncertainties about foreign change availability. Quite ap from the question of hard c rency, however, domes resources under a regimen fiscal discipline would not sufficient for the investment £E8bn., an annual average £E1.6bn., aimed at an incre in GDP from an estimat £E4.1bn. to £E6.7bn. (at c stant prices). The problem c be seen from the fact that si 1973 the national savings ra as a proportion of GDP has be at almost zero—and even ne tive according to some indep dent calculations. In aggregate Egypt has be almost wholly dependent borrowing from abroad for vestment. In practice, the bu of the external financing h gone to pay for consumer goo and production inputs.

Although the planning targ are too ambitious to be fulfill Egypt will be able to utilise large volume of project a committed by the Arab velopment funds, the producing states, the Wor Bank, the U.S., West Germa and France. In the industri sector the "open door" has

CONTINUED ON NEXT PAGE

Prescription for austerity

'PT NOW faces a very cal five-year period as it sets ut the task of restructuring economy to attain something an equilibrium in its rnal payments and to elimi- deficit financing at home e at the same time provid- for the basic needs of con- ption, increasing investment undertaking the reconstruc- of the Canal Zone. That is aim of the economic stabili- n programme worked out in unction with the Interna- al Monetary Fund which the rnment is now committed Successful implementation d provide the basis for d development and growth 1980. The reforms amount drastic and painful cure strong medicine" prescribed only by the IMF but, by y, also by the Arab oil es whose aid has been keep- Egypt afloat. It remains to seen whether they will be ally and politically accept-

the outset the programme involve a move towards the ertibility of the Egyptian d through a "managed ". On one level it is an nsion of the liberalisation y set in train by President t three years ago. More tially the setting of a new nercial exchange rate for a t part of Egypt's foreign sactions is a recognition of way in which maintenance n absurdly unrealistic ex- ge rate has distorted the omy. In practice, the result ne policy will be to make rts of most goods very n more expensive through sing their value in Egypt- pounds and levying tariffs em at the commercial rate. he same time, the Govern- t has undertaken to reduce xpenditure on subsidies and financing of the current et through borrowing. The ramme, if it is adhered to, involve a considerable — painful — shift of resources from consumption.

nce 1960 various attempts been made to influence supply and demand for gn currency through ex- ments with different ange rates. The biggest nge came with the intro- tion of the parallel market in September, 1973. In line with the declared objective of the "October Working Paper" issued earlier that year, the parallel market was set up to make more foreign exchange available—at a premium—to the private sector and thus help it play a more effective part in the country's economic recovery. At the same time, it was designed to attract the savings of Egyptians abroad by offering them pounds at an incentive rate.

The pool of funds from the parallel market has been pro- vided by the receipts from tour- ism, the remittances of expat- riate Egyptians and exports of "non-traditional" goods — or those other than cotton, cotton yarn, textiles, rice, onions, gar- lic and onions. In addition 50 per cent. of earnings over and above export targets from cot- ton, cement, garlic and onions were also designated for the market. The premium for buy- ing was originally set at 59 piastres to the dollar or 50 per cent. of the official exchange (£E = 52.55) which was subse- quently raised to 64 piastres in February and 68 piastres last month.

Extended

The original list of imports allowed was extended from 79 in 1974 to 285 in 1975. Applications have been processed through the Commercial Agency for the Pareilel Market in consultation with the Ministry of Industry. In the summer of 1974 the system was extended to in- clude "own-exchange" accounts whereby Egyptians were entitled to spend their own holdings of foreign exchange to import goods on the approved list with- out going through the banking system.

Last year imports and spend- ing on services through it amounted to £E151m., or about 7.5 per cent. of the country's total outgoings on current account, compared with receipts of £E190m. At the end of 1975 there was a total cumulative positive balance of £E74m. Despite the substantial paper surplus the queue of buyers has been lengthening — indicating that the resources in the paral- lel market had to be diverted elsewhere. The system has helped the private sector for which it was primarily set up, but public sector companies have also been able to use it. It has played its part in the recovery of industrial output generally, but the main bene- ficiaries have been tourism and construction. But demand ex- ceeded supply.

Rapidly

The "own-exchange" market developed rapidly and was res- ponsible for £E54m.-worth of imports last year. Under it con- signments of goods under £E5,000 in value have not required clearance from the agency. With the knowledge of the authorities, the market has been used by businessmen who have purchased foreign cur- rency from citizens and foreigners needing Egyptian pounds at the black-market rate and then used it to import luxury goods in packages of £E5,000 or less. In official cir- cles the device is defended on the grounds that it has eased the supply of industrial goods. In general, however, the parallel exchange market has been a significant factor in raising Egypt's exports to an excessive extent.

The starting point for the economic stabilisation pro- gramme will be the setting of a new commercial rate for the Egyptian pound. At the outset this will probably approximate to the current parallel market rate. The intention is that the commercial rate will merge with and subsume the present black market rate of around 75 piastres to the dollar — or 80-90 piastres in the case of illegally acquired funds sold to the banks, which are allowed to purchase them legally. The result should be a unitary rate at a more realistic level. But Dr. Zaki Shaffei, Minister of Economics, indicated that it would be allowed to rise to 70 piastres to the dollar.

Transactions at the official rate will continue for exports of cotton, rice, petroleum and its products and for imports of 18 essential commodities such as wheat, maize, sugar, edible oils, tea and meat. In its economic purism the IMF would probably have wanted to see a wholesale devaluation. It accepted that Egypt should not carry the burden of paying for the basic foodstuffs at a realistic rate and also recognised the lack of elasticity in demand for cotton, oil and refined products, and rice.

Egypt's other exports, both industrial and agricultural, should benefit. The operation will amount to what Dr. Shaffei describes as a "selective de- valuation." In practice, how- ever, the range of imports af- fected will be very wide cover- ing about £E800-900m. of last year's purchases from abroad, or half of the total. The fact that tariffs will now be levied on the commercial rate also, meaning a 50-60 average hike in customs dues paid, should tighten the curb on consump- tion even more. It should also provide extra revenue and con- tribute to the reduction of the budgetary deficit.

It remains to be seen to what extent the new exchange rate system will, in practice, amount to a liberalisation. For in- dividuals there will be more freedom to import goods. Both they and corporate entities, public and private, will now be at liberty to buy, sell and pos- sess foreign currency. Receipts from rice, onion and garlic will be available for the com- mercial market in addition to those which have financed the parallel market. Clearly, how- ever, there is a danger of a wholesale run on the Egyptian pound. Obviously, too, facilities will be required to support the commercial market. At present a modest fund of only $250m. is envisaged for the purpose— of which the IMF will provide $77m. in the form of compen- satory credit and another $125m. in the form of a stand-by while the U.S. banks are expected to put up another $50m. in loans.

The authorities will intervene only "to iron out fluctuations." says Dr. Shaffei. The greater part of the public sector imports will be governed by the Govern- ment's foreign exchange budget, anyway. Beyond that control will be exercised by switches in the permitted transactions on the "open general licence" and changes in tariffs. It is expected also that the operation will have to be backed by a tightening up of credit controls. The Ministry of the Economy will have over- all responsibility for the manag- ing of the float and is to be assisted by two experts, one from the IMF and the other from Denmark. But, in the belief that the operation will require almost 24-hour super- vision and constant manipula- tion, some qualified observers in Cairo wonder whether Egypt has the skilled personnel to conduct it properly.

On the budgetary side the Government is still very heavily weighed down by the burden of military spending that this year will consume as much as 25 per cent. of GDP. For 1976 the bill for defence is estimated at £E1.3bn., over half of which will be financed by the Emergency Fund. Established in 1966 and financed by Arab aid, it constitutes, in effect, an extra budget, the details of which remain strictly secret.

However it is clear that military and related expendi- ture accounted for over 50 per cent. of the combined current budget and Emergency Fund expenditures as projected in the 1976 budget before the re- visions. Despite the second Sinai disengagement agreement that appropriation will not be pared back as the Government sets about halving the budget deficit which had been put at £E1.29bn. in the estimates. The purpose is to bring down the amount of deficit financing to the point that actual revenue equates as nearly as possible to total current spending.

Customs

If the performance matches the intention, the Government should go some way to achiev- ing the goal by raising extra revenue of some £E300m., mainly from higher customs re- ceipts, and savings of up to £E200m., including a £E100m. cut in the subsidy bill which had been set at £E640m. in the original budget. That would leave a domestic borrowing re- quirement of £E125m. The Gov- ernment is confident that it has the resources to cover the balance of the deficit of some £E600m., as well as the foreign exchange needed for the cur- rent and investment budgets, from external sources: com- modity loans of £E261m. mainly from the U.S.; cash loans equiva- lent to £E59m. from Qatar, West Germany, and Abu Dhabi; $675m. (£E264m.) in grants from the Arab oil pro- ducers and $400m.-plus from the consolidation fund. On the face of it this will mean drawing funds from the Emergency Fund.

At the same time investment expenditure is expected to be very much lower than the am- bitious £E1.25bn. projected. In recognition of the constraints the development budget has been divided into two tranches —the first of £E780m. and the second of £E570m. Dr. Mohammed al Imam, the Minister of Planning, points out the actual performance is limited by a number of factors. The first is the shortage of foreign exchange. The second is the capacity of the construction industry which at present can handle the work but might be stretched by full implementa- tion inspite of an expected in- crease in its capacity over the year. The third is the trade-off between the speed of develop- ment and the dangers of infla- tion in the absence of external finance. As it is, available foreign exchange amounts to £E313m., but some is in the form of aid tied to projects in the second tranche.

Egypt will be very tightly squeezed by the programme and it remains to be seen whether the Government can assert the necessary discipline. Dr. Ahmed Abu Ismail, Minister of Finance, says that no less than £E500m. of the imports required by Gov- ernment departments and State- owned economic organisations will be shifted to the commer- cial market rate resulting in an extra cost of £E250m. which they will have to save else- where.

It is too early yet to judge the success of the reform. In the short-term, however, it is difficult to see the public enter- prise resisting the pressure for higher prices. Undoubtedly, both cost-push and demand-pull inflation will result from the policy of making Egypt pay for its imports at a more realistic rate of exchange. And the pro- gramme, which is faced with opposition within the adminis- tration, must be considered something of a gamble.

R.J.

SUMMARY OF STATE FINANCE
(£Em.)

	1973 Actual	1974 Actual	1975 Budget	1975 Pre-liminary Actual	1976 Budget[1]
Receipts	1,018	1,108	1,545	1,379	1,754
Central Government	694	780	1,069	1,018	1,071
Local Government	60	63	88	63	83
Public Economic Sector	264	335	395	299	600
(Transferred profits)[2]	(137)	(211)	(278)	(208)	(426)
(Investment financing)[3]	(127)	(124)	(117)	(91)	(173)
Current Expenditure	953	1,269	1,713	1,671	1,791
Central Government	714	779	889	878	755
Local Government	51	61	88	80	370
Public Authorities deficits[4]	165	402[6]	86	85	112
Public Organisations deficits[5]	23	15	8	8	—
Subsidies	—	12[7]	642[8]	640	553
Current Account Surplus or Deficit	65	89	−170	−292	− 36
Investment Expenditure[9]	451	565	757	679	1,252
Overall deficit (−)	−386	−654	−927	971	1,288
External Borrowing (net)	51	11	316	105	668
Domestic Borrowing (net)	335	643	610	866	620
Emergency Fund[10]	399	507	775	413	646

1. Before the recent revision.
2. Transfers of Profits to Treasury.
3. Profits ploughed back to investment.
4. Deficits met by State subventions.
5. Deficits met by State subventions.
6. Includes subsidies of commodities.
7. Mainly low-grade textiles.
8. Consolidation of subsidy payments.
9. Excludes reconstruction appropriation of £E243m. to be financed from Emergency Fund.
10. Financed by Arab grants: Covers a significant part of the military budget.

Source: Ministry of Finance.

Ambitious

CONTINUED FROM PREVIOUS PAGE

far failed to attract foreign in- vestment. Yet projects with a value of £E2bn. and a foreign currency component of over £E900m. are in the process of implementation. Many are a carry-over from the past, but at least it seems that Egypt may go a long way to achieving the £E2.8m. investment goal for in- dustry.

Apart from the reconstruc- tion programme, work will get started, with the assistance of Arab and World Bank aid, on such high priority infrastruc- ture projects like expansion and modernisation of the Alexandria port facilities, Cairo's water and sewage system, improvement of domestic and external tele- communications, and the Cairo- Helwan road. Yet in their totality these schemes could be seen as only flirting with the problem of refurbishing Egypt's worn out infrastructure.

Egypt's bold objective is nothing less than to reach a point by 1980 where it is earn- ing all its requirements from abroad except the capital for investment. Even on the best assumptions about Arab and other aid, something of a miracle will be required. It is not just a question of the burden of debt and other inheritances of the Arab-Israeli dispute. There are the qualitative factors—the general apathy of the public, the psychological difficulty of responding to the challenge in a new climate of liberalisation after so many years under a heavy socialist yoke, and the erratic, inco-ordinated direction of economic policy from the top. Above all, it is an open question whether it will be possible politically and socially for the Government to adhere to the stabilisation programme.

R.J.

Sadat seeks wider political debate

BARELY TWO months ago President Sadat at last decided on a new formula designed to mobilise more effective popular participation in the process of government. He did so after a year and a-half of consideration, consultation and officially inspired debate. His experiment should be viewed in its historical perspective — as the latest in a series aimed at devising a system whereby the "masses" might be more closely involved with and contribute to the Government's decisions.

It is taking place within the context of the Arab Socialist Union (ASU)—Egypt's sole legal political organisation since its creation in 1952. But the initiative has something of a novelty about it in so far as it involves setting up three distinct and competing groupings —known as "platforms" or "tribunes." It would be rash to predict how they may evolve. But it is anticipated that the groupings will make the forthcoming elections to the People's Assembly the most lively and interesting in the history of the country's legislature.

Intermittently since the Revolution of 1952, efforts have been made to devise better institutional means whereby the regime can keep in touch with the popular will and respond to it. For the most part, however, they have been a failure. Since its creation the ASU has been consistently dominated by the executive power and especially by the towering personality of President Nasser from 1956 to his death in 1970. While he theoretically understood the need for constructive criticism, in practice he was unable to tolerate it. In this respect, President Sadat has been far more flexible than his predecessor, however. Certainly, his latest experiment is a reflection of a genuine conviction that Egypt's sole political organisation and its parliament, the People's Assembly, should be more pluralistic if they are to contribute genuinely to the nation's development.

The demise of the old "bourgeois" parliamentary system was mourned only by the select and privileged people who benefited from it and ran it. Preoccupied with the imperatives of national solidarity and effective action, the original Revolutionary Council and then Nasser when he emerged as unchallenged colossus would not contemplate a return to representative institutions which might make possible "the exploitation of one class by another." Yet the need for a mass political organisation to embrace the widest political consensus soon became apparent.

The search for a political system began with the establishment of the Liberation Rally early in 1953. Although it enunciated the principle of agrarian reform, it contained little else by way of economic or social philosophy and even began to resemble the old Wafd party which had been active in pre-revolutionary politics. It was superseded by the National Union in 1956. In October, 1961, Nasser finally wrote it off, saying that it had been reduced by the infiltration of reactionary elements "to a mere organisational facade which animates neither the popular forces nor their veritable aspirations."

The description "organisational facade" could also have been applied to the ASU over the past decade, notwithstanding its large membership numbering some 5m. people (not including women and youth), compared with a total labour force of 8m. The ASU has undergone several attempts to revitalise it, but as a structure remains very much the one evolved by Nasser in the 1962-1965 period. Its foundations are the base units in towns, villages, factories, workshops, public sector companies, private businesses and Government Ministries. In the ASU pyramid, the strata above are the district and governorate councils. Above them is the ASU Congress, a 280-member body made up of members of the governorate councils as well as representatives of various community groups. At the pinnacle is the directorate — since 1969 the Supreme Executive Committee —in theory elected by the Congress but in reality decided by the political command.

Principle

From the beginning the principle was established that half at least of the members of all ASU organs should be peasants or workers — the former now defined as someone not owning more than 10 feddans and the latter as someone who works with his hands and is not a member of a professional syndicate. Creation of the ASU had been preceded in the same year by the promulgation of the National Charter in 1962, the basic philosophy of the Egyptian Revolution as it evolved in Nasser's mind over its first decade. It called for the putting into practice of "scientific socialism," but came out against Marxism with its rejection of "the dictatorship of one social class" by another. At the same time it asserted the principle that "political democracy cannot be separated from social democracy."

President Sadat has never called in doubt the validity of the National Charter since his "Corrective Revolution" of May, 1971. The ASU was very much bound up with the political challenge which he faced and overcame in that month. Six years earlier, to inject some life into the body, Nasser had ordered the formation of the secret revolutionary cardres known as the Vanguard, subsequently condemned by President Sadat as a "power centre." This predominantly left-wing element sought in the spring of that year to establish that ultimate authority resided in the ASU—which it effectively controlled. This precipitated the struggle resulting in the dismissal of Vice-President Ali Sabri and the arrest of President Sadat's opponents, including five leading ministers and the ASU Secretary-General.

There followed the promulgation and approval by plebiscite of the new permanent constitution which laid down the principles of the sovereignty of law, respect from the judiciary and the establishment of the safeguards for the rights of citizens. The new People's Assembly was voted into power and soon started exercising more power than its predecessors. His reform of the ASU has had to wait longer. Having broken its development as an instrument of opposition to himself, President Sadat ordered the holding of new elections to it in 1972 and appointed Dr. Sayyed Marei, then Vice-President, to revamp it. It was not until August, 1974, that President Sadat announced the "platform for developing the Socialist Union." In the subsequent debate there were calls from the Right for a multi-party or two-party system—from the Centre for a "multiplicity of trends," and from the Left for a "popular alliance."

President Sadat's starting point was that if the ASU was to be representative, there must be scope within it for opposition. Indeed, he would probably have argued that it would be healthier for him to allow it to surface in this way rather than fester underground. Dr. Marei, now Speaker of the People's Assembly, says the question was whether such an opposition should be "manouevreable" or "established"—illustrating the former concept by pointing to the parliamentary committees where members may vote for or against specific proposals. In the event a committee of 170 including 50 parliamentarians, 50 ASU members and 70 lawyers, journalists and other specialists, met and decided—no doubt in the way which the President wanted—on the three "platforms."

The three platforms representing those currents are to represent the Centre, the Left and the Right within the mainstream of the ASU. Respectively, they have been named the Egyptian Arab Socialist, the National Progressive Union and the Social Democratic organisations. The theory is that members may advocate different policies but must share the same philosophy, said Mr. Rifaat al Mahgoub, in an interview last month before he was replaced as ASU Secretary-General by Mr. Mustopha Khalil. This means that they must accept as basic principles national alliance and unity, a socialist solution to Egypt's problems, and "social peace" between different classes.

Above, left to right: Prime Minister Mamdouh Salem; leader of the Right Mustafa Kemal Mourad; leader of the Left Khaled Mohieddin.

Competitors

By definition Marxism is excluded from the philosophy, although Mr. Mahgoub acknowledges that those of such persuasion may be included on the Left platform. Similarly, a grouping committed to a "capitalist solution" would not be permitted. The theory is that all three will be "competitors within one political system." He adds, "If successful they will be the beginnings of a multi-party system. The tribunes will begin this process but will not define it."

For the time being, however, a multi-party system would be ruled out. One of Mr. Mahgoub's aides said. "First, we must preserve national unity until the Middle East problem is solved. Second, in the absence of political opposition for so long you can't expect political organisations just to emerge."

As yet little information is available on the numbers joining the three platforms. Nor is there much to distinguish between their announced programmes. Predictably the majority so far making a choice have joined the centre platform, whose rapporteur, or leader, is Mr. Mamdouh Salem, the Prime Minister, and whose secretary is Mr. Mahmoud Abu Wafia, the President's brother-in-law.

President Sadat has said it is only normal that he should lead it "to ensure the smooth running of the country's affairs pending new elections." Clearly, both the intention and the assumption is that it should be the majority government party. As such it will be assumed to have the power of patronage. It has been joined by a significant part of the trade union and farming membership on a collective basis.

On the Right the "Social Democratic Union" appears to be a more disparate group of individuals under its rapporteur, Mr. Mustafa Kemal Mourad. A revolutionary, ex-army officer and for many years the head of the General Cotton Organisation, he is very much a liberal and a protagonist of parliamentary democracy. His programme calls for the State to concentrate on rebuilding the nation's infrastructure and development of heavy industry, leaving the rest to the private sector.

Inevitably it has attracted those who agree with the more liberal economic policies of the last few years and have benefited or hope to benefit from them. It is the natural place for those associated with the old prerevolutionary Wafd Party, the only one with any popular following then, to express itself and also conservative religious elements.

A more obvious base for an opposition would be the platform of the Left led by Mr. Khaled Mohieddin, one of the original Free Officers and a veteran Marxist once dubbed the "Red Major." The National Progressive Union puts the emphasis on a strengthening of the public sector, the development of heavy and strategic industries, a diminished role for the private co-operative and joint sectors, and the subjection of the economy generally to central planning. The hope may have been to attract "above ground" as many as possible of the Nasserite opposition.

Mr. Mohieddin has recently expressed his devotion to Islam and applauded the breaking of the treaty with the Soviet Union in March. In itself, however, his Marxist past is said to have caused misgivings among some who might be expected to join his platform.

The intention appears to have been that some at least of those who would call themselves "Nasserites" should be accommodated on the National Progressive platform and some have joined it. However, those who most vigorously deplore the break with the tradition of the former leader certainly would not want to and—even if they were welcome to participate—might not be encouraged to do so. The squeeze placed last month on some journalists whose names are closely associated with Mr. Mohammed Hassanein Heykal, former editor of Al Ahram and confidant of Nasser, as well as left-wing writers, was seen as a curb on Press freedom related to the new political experiment. The platforms of the Right and the Left have complained about the media's support for the Centre.

Relationship

The 1971 constitution does not make clear the relationship between the ASU and the People's Assembly. The party rule requiring 50 per cent. of members to be either peasants or workers applies to the legislature. But since 1971 candidates have been allowed to be independent, and they currently make up 46 per cent. of the Assembly. The expectation now is that the election in October will be fought to a significant extent between the three platforms.

This could lead to some lively and even disturbing exchanges between Left and Right. The only confident prediction made by informed Egyptian observers is that the Premier's centre platform with the official stamp implied by its title will emerge with an absolute majority as the "current" of consensus. Some believe that if the "Nasserites" were allowed to stand as a block under such a banner they would obtain up to 70 per cent of the vote.

The present parliament has shown more healthy vigour and freedom of expression than its predecessors. A useful safety valve, it has been less of a rubber-stamp and has witnessed some fairly outspoken criticism of individual ministers and, recently, attacks on the economic stabilisation programme. Some marginal legislation has been initiated from the floor of the House and amendments to other ministerially-sponsored legislation have been made—for the most part, it is believed, with the inspiration or even the blessing of highest authority.

An exception would have been the recent Bill, which last month passed its second reading, by the vote of a tiny minority, prohibiting the sale to and consumption of alcohol by nationals. It is one aspect of a general move within the Assembly to establish the force of Islamic Law that worries both liberals and those permeated by the Nasserite tradition.

However, in practice Bills not welcome to President Sadat do not find their way to the statute book, and the People's Assembly is an institution of only limited importance in the nation's life at this stage. By the same criterion, it can probably be assumed that the experiment with the ASU's platforms will be carefully controlled from the top. If the supervision is too tight, then the aim of giving the regime and masses a more responsive touch would be defeated. But given enough scope the platforms could still breathe life into the body politic and, indeed, become a positive embarrassment within the guidelines that will give primacy to the national solidarity and the country's development.

RJ

Oil points way to recovery

DEVELOPMENT OF the oil industry is one of the brightest aspects of the Egyptian economy, and one on which the Government is banking heavily to help the country achieve a real economic recovery by 1980. This year the oil sector will for the first time contribute positively and substantially to the credit side of the balance of payments. It will be the result of several developments.

Chief among these will be production from the Sinai oilfields which were finally recovered as part of the second disengagement agreement with Israel. Accounting for about one-fifth of current total output of about 335,000 barrels a day (equal to an annual rate of about 17m. tons), they have put Egypt decisively in the position of a net exporter. Over the full year the Oil Ministry foresees total cumulative production reaching 18.4m. tonnes of crude compared with 11.7m. tonnes in 1975 and domestic consumption last year of 10.3m. tonnes of products.

Such a level may seem a long way from the target of 50m. tonnes or so by 1980, but the oil companies operating in Egypt, as well as the Government, believe that this objective could well be achieved. While expansion of output from some existing fields is certain, a number of new ones should be on stream in the next five years. More than 30 foreign companies are now searching for oil and gas on Egypt's territory and in its offshore waters.

Regaining

Loss of the Sinai fields was a heavy blow to Egypt and the prospect of regaining income from them was a significant factor in Egypt's willingness to enter into the second disengagement pact. In 1967 the operation run by the Compagnie Orientale des Petroles d'Egypte —the 50:50 joint enterprise of the Egyptian General Petroleum Corporation (EGPC) and the Italian State corporation ENI—had been producing at the rate of 90-100,000 b/d. Shortly after the hand-over the Israelis put the volume which they had pumped from the Sinai fields at 224m. barrels, which would imply a rate over the eight years of 75,000 barrels a day.

Subsequently, Dr. Izzedin al Hillal, the Egyptian Minister of Oil, calculated the volume at 400m. barrels valued at $2.1bn., which Egypt has claimed as part of a final settlement with Israel, and estimated reserves at 300m. barrels. Earlier this year $32m. was appropriated for the repair and maintenance of wells that the Israelis are believed to have pumped without much, if any, regard for their future life.

The officially stated aim is to restore production to 100,000 b/d that would give another 11 years life to the field. While some of the wells are being "worked out" production has dropped to 65,000 b/d, but even at that rate the gross income over a full year would be in the order of $230m. (with Belayim 26 degree crude currently priced at just over $10).

After the June war of 1967 the Sinai loss was offset by the El Morgan field off-shore in the Gulf of Suez. Discovered in 1964 by Amoco (Standard Oil of Indiana), it was rapidly developed in partnership with EGPC. In retrospect, it seems clear that it was pumped far too hard for its reservoirs. In 1970 it peaked at 340,000 b/d but as a result of a dramatic decline in pressures slumped as low as 80,000 b/d in 1974. With the implementation of a water injection programme it has now recovered to a rate of 100,000 b/d. Output is scheduled to climb to 180,000 b/d by 1981 before falling to 50,000 b/d in the middle of the next decade.

More important than El Morgan in meeting the 1980 targets, however, will be the July and Ramadan fields, both of them discovered in the near vicinity of El Morgan fields and operated by GUPCO. Struck in the summer of 1973, the July field came on stream in the following spring, had achieved a rate of 60,000 b/d by the end of 1975 and may reach 100,000 b/d by the close of 1976. Conveniently close to both El Morgan and July, Ramadan required only limited investment to be brought into production and is already on stream. There are hopes that the rate may go as high as 150,000 b/d. However, not least because of the geographical peculiarities of this part of the Gulf of Suez bed, the potential of neither of these two fields has been fully assessed. Latest estimates are that July's reserves are 1.53bn. barrels and Ramadan's anything from 1.83bn. barrels to 4.28bn. barrels.

In the eastern desert along the Red Sea coast are a string of small fields including Bakir, Amir and Shukair which are operated wholly by EGPC itself and currently producing at the rate of about 30,000 b/d. In the Western Desert the flow is continuing at a modest level from the two smaller fields operated by the Fayoum Petroleum Company, another 50:50 joint venture between Amoco and EGPC.

The Razzaq field there is currently running at the rate of about 12,000 b/d and Abu Gharadiq at about 5,000 b/d. Output at the latter is for the time being held back to save the associated gas, which is in the process of being harnessed. Another 13,000 b/d comes from the declining El Alamein field operated by the Western Desert Petroleum Company, the 50:50 joint venture of EGPC on the one hand and Phillips Petroleum and Hispanoil on the other.

Imports

Last year the 11.7m. tonnes production barely exceeded domestic consumption of 10.1m. tonnes. Crude oil imports totalled 3.6m. tonnes compared with exports of 4m., just over half by EGPC's foreign partners, which are also obliged to sell to the Government. All the Western Desert output went for processing in the Alexandria refinery which was also fed by imports, while the oil from the Gulf of Suez, and latterly Sinai, was exported.

This pattern developed because of the closure of the Suez Canal, but it is still continuing. Currently all the premium Morgan crude (priced at $11.25 per barrel) and 90-95 per cent. of the heavy, sulpherous Belayim oil ($10.10) is exported for hard currency. But 40 per cent. of the output from the small EGPC-operated fields is being used to balance trade accounts in non-convertible currencies.

Because of increased refining capacity Egypt was substantially in surplus for refined products last year with exports of nearly 1.7m. tonnes comparing with imports of 455,000 tonnes (mostly butane, lube oil and jet fuel). Capacity is now at 12.7m. tonnes at the refineries at Alexandria, Suez, Mustarad and Tanta.

Expansion at Alexandria from 5.4m. tonnes to 7.3m. tonnes and at Suez from 1.8m. tonnes to 2.9m. tonnes should raise the total to 15.7m. tonnes by the end of the year, thereby increasing Egypt's surplus. In addition, a new refinery is planned for the end of the Sumed pipeline to process Arabian Gulf crude, but as yet the commercial feasibility of the project, on which Fluor are doing a study, has not yet been confirmed.

Largely as a result of the recovery of the Sinai fields public sector oil operations this year are projected as earning a surplus in foreign exchange £E139.7m. compared with a deficit of £E42.4m. in 1975. Another factor has been the recent agreement whereby the relationship with Amoco has been converted to a product-sharing one of the kind which is now standard for new ventures. This should give the State an additional income of $120m.

When the transactions of the foreign oil companies, including payments to the Government and purchases of local currency are taken into account, all oil operations are forecast to give the country a net surplus of £E179.7m. compared with £E3.6m. in 1975, thus making a valuable positive contribution to the payments balance.

The formula, which is based on Indonesia's and has been used by Egypt since 1973 for attracting foreign investment in exploration, has succeeded handsomely. Under it the foreign partner undertakes the whole cost of prospecting, commits itself to spending a minimum sum over a period from 7 to 12 years, and also pays a signature bonus which in practice varies from $125,000 to $12m. Exploration costs are repayable if oil is discovered in what are judged to be commercial quantities.

At this point, a joint production company with EGPC is formed. Under the previously reached agreement the foreign partner is allowed to take a maximum of 30-50 per cent. of production—usually 40 per cent. —to cover recovery costs. If these are less than the maximum, the differences revert to EGPC. The balance of output is then shared in conformity with the original accord—usually on a 75:25 basis, although in one deal with Japanese interests the Government entitlement has been set as high as 87 per cent.

So far 34 separate production-sharing agreements have been concluded, involving total signature bonuses worth $77.2m. to the Government and cumulative expenditure obligations of $656.8m. The most recent one signed with Conoco covers no less than 300,000 square kilometres in the south of the country with an initial exploration period of a year during which to identify the most promising area.

Conoco's signature bonus takes the form of an undertaking to drill a few water wells, which compares with the down sum of $12m. paid by Amoco for 1,350 square kilometres in the Red Sea coast area. Total exploration expenditure obligations have gone as high as the $50m. paid by Esso in respect of 150,000 square kilometres in the Delta and $48m. for 12,000 square kilometres along the Red Sea.

It is there that the most obvious potential lies and where several strikes have been made recently. Around the turn of the year, the GUPCO partnership found oil with two wells off-shore in the Gulf of Suez, one of which has been declared commercial. Deminex, too, has been successful with two wildcats in a block near the Morgan and July fields, while Esso in April announced a strike in the northern part of the Red Sea off-shore of the town of Safaga.

Geologically these areas are difficult, with the various deposits held in place by salt necessarily involving "blind drilling" and making field difficult to measure. Even so the optimism about the Gulf of Suez and the Red Sea seems well placed. There are also hopes, meanwhile, that the kind of structures which have enriched Libya stretch into Egypt's Western Desert. The Delta has already yielded gas that is being exploited while West of the Canal near Kantara ENI's subsidiary called International Egyptian Oil Company recently found heavy gas containing good condensates.

Gas production is already beginning to play an important role in Egypt's industrial development. The Abu Mahdi field in the Nile Delta discovered by IEOC is already connected to Talkha where it is providing fuel for the power station and feedstock for the fertiliser plant. The two are currently absorbing some 1.6m. cubic metres a day of the 3m. cubic metres a day for which the production facilities are designed. The expansion of these plants and a textile plant at Muhalla Kubra to the north of Cairo are to take the balance.

Complete

In addition, with a potential of 3m. cubic metres a day the Abu Qir field being developed by EGPC should be completed together with its pipeline in 15 months' time and ready to feed a fertiliser plant and, in its initial stages, a power plant in the Alexandria area. However, it is planned that the latter should switch to oil when the projected sponge-iron plant being built by Japanese and Brazilian interests is completed. Later this year the associated gas from Abu Gharadiq should be feeding cement plants. The intention is that it should also supply the Helwan steel mill through a 270 km. pipeline. Production of up to 1.5m. cubic metres a day is anticipated.

Exploration is proceeding apace. This year it is planned to drill no less than 41 exploratory wells, of which 21 will be off-shore and the rest on-shore. Egypt's policy of attracting foreign interest in its potential is certainly succeeding. Said the representative of one company prospecting there: "The Government is sympathetic and encouraging. It genuinely wants to solve problems rather than obstruct."

The companies are expected to spend over $200m. in the search for oil in 1976. If Egypt fails to reach its target of one million barrels a day and export earnings of $1.2bn. by 1980, it will not be for lack of trying on any one's part.

R.J.

ADVERTISEMENT

The Economic Open-Door Policy

The economic open-door policy is the one which is being pursued by Egypt, and has been in the past.

Since the late sixties, some aspects of the economic open-door policy started to appear in many Third World and Socialist states. The policy evolved from the premise that economic isolation of any state is impossible, because of the interdependence of the economic welfare of all states throughout the world.

In pursuing the economic open-door policy Egypt is keen to make clear that her main objective in this policy is the maintenance of economic development in Egypt by using Arab and foreign capital and the latest technology.

The economic open-door policy therefore aims at the co-operation of Arab and foreign capital in order to participate with national capital in financing development plans and in filling the gap between the quantity of public savings and of the required investments for such development.

The open-door policy also aims, domestically, at encouraging the private sector to play an active role, side by side with the public sector, in increasing production.

The Law of the economic open-door policy:

Article No. 43 for the year 1974 defines the main principles regarding the range of Arab and foreign investments as well as the Free Zones, and shows the main objectives of this policy as follows:

—1. Financing projects:

The Law took into consideration the invitation of financial institutions to practise their activity in this field and to afford the opportunity for the establishment of financial institutions in Egypt either by foreign or mixed capital and such companies took the following shapes:

a) Investment companies: for the employment of sums (money) in the areas defined by the Law.
b) Investment banks: insurance companies which carry on their dealings in free currency.
c) Banks which carry out dealings in local currency.

These financial institutions aim at filling the existing finance gap and affording capital financing which helps to increase the project's capacity for production and widening its activities.

—2. Obtaining advanced technology:

Article No. 43 for the year 1974 stipulated that all instruments and equipment imported for carrying out investment projects should be in conformity with the latest models of technology. It is indisputable that the use of this technology will be an active element in the transition of Egyptian production from local to a wider scale of production which might have access to world markets.

—3. Enlarging the establishment of Free Zones:

These zones are considered to be centres of industrial, commercial and financial attraction. It also provides the Government with an income which supports the national economy.

—4. Increasing job opportunities:

The establishment of new projects or enlargement of the existing ones will certainly provide new job opportunities. It will also provide training programmes for Egyptian workers.

—5. Regaining an even balance of payments:

The investment of Arab and foreign money with the Free Zones will definitely contribute to alleviating the burden of the Egyptian balance of payments for the following reasons:

a) Using the Arab and foreign invested capital in importing the materials and instruments and other requirements necessary for production will relieve the country from the pressure of monetary balance.
b) Exporting part of the products of such projects will contribute to increasing the country's free currency income which is needed to support its development.
c) The possibility of limiting, or dispensing with, the importation of many of the commodities which the Government are obliged to import by free-currency.

—6. Guaranties for investments and investors:

By law No. 43 for the year 1974, many guaranties were granted to Arab and foreign investors to invest their money in Egypt, the most important of which are:

a) Giving sufficient guaranties against all non-commercial risks.
b) Offering the proper incentives to encourage investment.
c) To remove all administrative obstacles and procedures which the investor may encounter.
d) To provide a suitable climate for establishing monetary and financial centres in A.R.E. which meet the needs for such an activity in this Arab region and which affords the opportunity to employ the Arab's financial resources.

—7. Supporting and activating the investment of Arab and foreign capital aims:

To carry out all research and studies; to provide the necessary information for investment projects and investors; to remove all obstacles and restrictions that may face Arab and foreign capitals; to provide the services and necessary facilities for such projects and seek the assistance and advice of consultants.

—8. Planning for projects of the open-door policy:

This may be done by defining the different fields of investment and projects which can be carried out in different areas, and by determining the priority of each project and studying the individual economic aspects proposed by Arab and foreign investors.

—9. Removing all the obstacles that may face foreign and Arab investors:

Through taking the necessary financial, monetary and legislative measures to remove obstacles and various possible bottle necks. Through offering the necessary services for investors either in the field of exports and imports or in various funds' transfer.

Industry

The industrial sector occupies an important place in the Egyptian economy, being one of the economic activities that generates the production of goods besides providing industrial products required by other sectors. Therefore the different industrial plans and programmes have always emphasised the importance of developing the industry quantitatively and qualitatively so that the entire sector may become orientated to exports, capable of competing in the international market and be based on the maximum use of local agricultural and mining raw materials as well as available energy resources.

Industry in Egypt has been a constant battle for the transition from an agricultural to industrial society. This showed quite clearly in the first industrial programme (1953-1960) when total investments in the industrial sector amounted to 330m. L.E. allocated for 502 industrial projects.

In the five year plan of 1965-1970 the investments allocated for the industrial sector amounted to 960m. L.E.

The national work programme for the years 1973-1982 aim at doubling the national income in the next ten years. This needs concentration on industry through increasing production at high regular rates.

Costs necessary for the implementation of this ten years' plan were estimated at about 8.400m. L.E. It is expected that for the first time in the history of the Egyptian economy the total industrial income for the year 1977 which will amount to 1.008m. L.E. will exceed the total agricultural income estimated to be around 993m. L.E.

This means that the Egyptian economy will be temporarily transferred to an industrial-agricultural economy.

Performances of the industrial sector in the year 1975:

Industrial production

In the year 1975 industrial production developed a great deal. The total industrial production amounted to 2.270m. L.E. achieved by an increase of 371m. L.E. over the year 1974. The actual rate of this increase is 19.5%. All industrial sectors have participated in the achievement of the increase as follows:

Activities	The value of increase in net production for the year 1974-1975 %	Rate of increase %
Spinning and weaving	51	11
Food	67	14
Chemicals	54	34
Construction	41	29
Minerals	16	12
Construction Materials	18	30
Private sector	371	19.5

Increase in production is expected because of the vertical increase of the existing sectors of production and the horizontal enlargement of new projects and the start of production of new projects, the most important of which are: the fourth furnace in the iron and steel complex; the third battery in Cook's Company; the new lines in the sugar company and in the Asyout and Sohag plant for spinning and weaving; the fertilizer plant at Telkha; the Aluminium complex.

Industrial investments for the year 1975

The cost of the investments that took place during the year 1975 amounted to about 191.8m. L.E. from the total investment allocated for the sector and amounting to 214.7m. L.E. at a rate of performance of 89%.

The investments that took place in the year 1975 were distributed as follows:

Type of investment	The cost in millions of L.E.
Investment in construction sector	4.9
Investments in renewal and replacement operations	62.6
Current investment and new projects	124.5
Total	192.0

The development of industrial imports:

The industrial sector achieved actual exports during the year 1975 amounting to 231m. L.E. compared with the target figure for the year of 184m. L.E. This indicates that the export target was achieved with an increase of 47m. L.E.

By its exports, industry has thus achieved resources that can indirectly support the balance of payment by 230m. L.E. apart from the industrial production achieved which substituted for some imports. This shows that the industrial sector achieved from its own potential the foreign currency it needed for the import of commodities. It also acquired a surplus which supported the balance of payment by affording an alternative to what was exported.

The 1976 plan for the future of industry:

The industrial programmes and plans aim at achieving horizontal development side by side with the vertical development of production. The achievement of a balance between heavy industry, converter and consumer industries to meet the needs of local consumption and thus obtain a surplus of about 326.1m. L.E. for the mining and industrial sector: 33.2m. L.E. for the private sector and 227.4m. L.E. for the year 1975.

These investments were estimated in the light of the priorities in this plan and for the support of the development of industrial projects and projects for the co-operation of Arab and foreign capital under the auspices of the economic open-door policy.

We are aiming at increasing the industrial production during the year 1976 to about 3.600m. L.E. as against 3.320m. L.E. for the year 1975, a rate increase of about 8.4% at current prices.

It is estimated that an additional amount of 875m. L.E. will result from this production as against 805m. L.E. aimed at for the year 1975 or in other words by a rate increase of about 8.7%, based on current prices.

Foreign Trade

The foreign trade sector achieved significant progress by virtue of the policy and plans which the government adopted and developed in order to face the changing economic circumstances prevailing in the world markets.

IMPORTS

In the year 1975 the monetary allocations for exporting commodities amounted to 1,598.1m. L.E. of which 1.243m. L.E. in free currency, including 457.7m. L.E. for consumer goods and 785.4m. L.E. for intermediary goods; and 355m. L.E. including agreements for the payment of imported consumer goods, 45.7m. L.E., and imports of intermediary goods for 309.2m. L.E.

Intermediary goods occupy the highest percentage in imports. It reached 34.4% in the year 1974. Raw materials follows with 32.1%, then come capital goods 13.5%, non-durable consumer goods 13.4%, durable consumer goods 4.2% and lastly fuel which occupies 2.4%.

Imports of all the necessary commodities have been permitted through the parallel market in order to meet the needs of the state, with the exception of a few basic goods whose imports were confined to the public sector. Those basic goods do not exceed 37. Agreements concerning those facilities amounted to 302.4m. L.E. on 15 October 1975.

EXPORTS

Export targets achieved by the commercial plan of the year 1975, of which 684m. L.E., in free trade agreements were concluded, as against 593.289m. L.E. in the year 1974.

The exports of raw cotton present the highest percentage in exports, for it amounted to 47% in the year 1974. Semi-manufactured goods follow, with 23.5%, then comes the fully-manufactured goods 14.4%, and fuel 8.5% and lastly raw materials 6.6%.

The necessary measures have been taken and necessary facilities have been granted to achieve the balance in the national market and to remedy existing bottle-necks and to propel the national economy on to a constant and valuable development.

The competition of imported goods with locally produced goods will doubtless lead to the raising of the level of local production in order to stand firm in the face of world products and to allow free competition for both private and public sectors.

This will consequently lead to developing our exports and will remedy the deficit in the commercial balance and balance of payments.

All that will precipitate the formation of a suitable climate in which the economic open-door policy may prove fruitful.

The foreign trade plan for the year 1976:

The total needs of the state for commodities (goods) for the year 1976 is estimated at 1.639m. L.E. of which 1.235m. L.E. in free currency and 304.4m. L.E. for countries with which trade agreements have been concluded.

The export targets for the year 1976 amount to 683m. L.E. some of which are exports to countries of free currency the value of which is 351.9m. L.E. and countries with which trade agreements were concluded, 331.4m. L.E., distributed as follows for each sector:

1. **Industry Sector**—323m. L.E.
2. **Petrol or Oil sector**—205m. L.E.
3. **Other sectors**—8m. L.E.
4. **Agriculture Sector**—247m. L.E.

The plan of the year 1976, being the first year of the five year plan of 76/80, will try to rectify the balance of payments and endeavour to limit the existing deficit or decrease it by about 200m. L.E.

It is hoped to achieve that through increasing the total resources by 355m. L.E. more than the year 1975.

The sector of industry and petrol perform the main role in increasing the quantity of exported goods. The Suez Canal also participates in increasing the invisible receipts.

All this is done besides taking into consideration the provision of all necessary requirements and alimentary goods needed by the public and providing the resources needed for the requirements of the entire development plan and national security.

Banks make radical changes

BANKERS in Egypt last year ousted the oil men from their place as the most prolific givers of cocktail parties during the past 18 months, which have seen a quiet revolution in Egyptian banking. In that time 18 banks successfully pursued applications to open in various guises. Equally important domestic banking was transformed by Law 120 of 1975 which was aimed largely at bracing the system to face competition from the new entrants.

Local bankers have been watching closely as a bewildering array of joint venture banks, offshore branches, free zone branches, regional and representational offices have begun the long process of establishing. To prevent a foreign monopoly of foreign currency operations local banks began to operate foreign accounts in free zones with the formalising of Port Said's free status at the start of the year.

The most radical moves to streamline domestic banking in line with policies of economic liberalisation are contained in Law 120. Introduced by Dr. Zaki Shafei, Minister of Economy and Minister of State for Economic Co-operation, this law, presented to the People's Assembly in July last year and passed in September, brought in three key changes:—

Freedom to banks to set their own labour policy; unrestricted import of machinery; and cancellation of the ceiling on interest rates.

Labour policy freedom means that banks can pay higher salaries to prevent the drain of skilled personnel to the foreign banks (which were paying wages double those of a domestic bank clerk). Lifting of import restrictions means banks can prepare the computerisation of their pharaonic book-keeping system.

Removal of the years-old taboo on tinkering with interest rates means that commercial banks and the Central Bank can apply market principles to fix the rate. Commercial banks may now lend at economic cost to the borrower. Raised at first to 7 per cent., interest rates moved up to 8 per cent. recently. Observers predict further upward movement if an expected domestic credit squeeze is applied.

Flexibility

Interest flexibility gives the banks a tool to stimulate savings and squeeze hard on middle-class consumption. Some observers, however, question the efficacy of credit squeeze measures in an economy with a cash and barter base.

In efforts to stimulate competition the banking specialisation system was abolished last year. This means that the Big Four — National Bank (with foreign trade monopoly), Bank Misr (agriculture), Banque du Caire (construction) and Bank of Alexandria (industry)—can now compete for business in textiles, trade, agriculture and industry.

Egypt's banking system is gearing up to an expansion in the private sector of the economy. It will also deal with the rationalised public sector companies following the dismantling of the controlling general organisations. Company boards will have responsibility for profit and loss accounts and will be able to raise finance on a commercial basis. Commercial banks can be expected to finance more and more private companies in industry and agro-industry in future.

Changes in the specialised banks are also in the offing. A Bill is being introduced to create a series of village branches of agricultural and co-operative banks for which a new style Agricultural Bank will play the role of central bank. The Industrial Bank, formally absorbed into the Bank of Alexandria, is expected to be revived.

Conditions

While domestic banker tasting the new condition. the more flexible monetary and credit climate. the foreign banking pack has yet to track down its quarry. One year of cocktails has done little to ease the worries of foreign bankers about how "slow" things are. Chase National Bank (Egypt), is generally agreed to be doing more business than the other joint ventures. But the function of many seems to have become a watching brief on Egypt's amazing arrears on supplier credits and bank-to-bank borrowing.

Entry into Egypt by foreign banks was allowed by Law 43 of June 1974. This limited commercial operations by them to joint ventures in which the Egyptian partners have a majority share. Three such partnerships are now in business, Chase National (51 per cent. National Bank of Egypt and 49 per cent. Chase Manhattan), the Egyptian American Bank (51 per cent. Bank of Alexandria and 49 per cent. American Express Banking Corporation), and Misr International Bank (51 per cent. Bank Misr and 49 per cent. First National Bank of Chicago, Banco di Roma and UBAF). Cairo Barclays, a 50-50 partnership between Bank of Cairo and Barclays, at present is only allowed to deal in foreign currency but is seeking to establish a second joint venture which will allow it to undertake commercial operations in Egyptian pounds.

It has premises for a retail branch in Cairo which it hopes to open in October 1976 to handle foreign currency accounts. Plans for a new joint venture in local currency, however, depend on the uncertain situation with the Arab boycott, although these do not seem to have harmed merchant joint venture activities. If all goes well, Barclays new branch will have an agency for the Banque du Caire for local currency, much as the National Bank operates a small branch within the premises of the National Bank of Abu Dhabi.

As far back as 1971 Egypt joined forces with the United Arab Emirates, Libya and Oman to establish the Arab International Bank to undertake normal banking business in foreign currencies. Apart from Cairo Barclays, there are no less than 11 foreign banks now with branches in Egypt under licences entitling them to deal in foreign exchange. In addition Manufacturers Hanover Trust and the Bank of Nova Scotia are classified as "Free Zone" branches. They have so far failed to find a niche in the economy. The slowness of the development of the Free Zones is part of the explanation, but it is open to question exactly what they can do that other banks allowed to undertake foreign currency operations cannot.

Foreign

The progress of the foreign banks has been slow and very much a matter of their feeling their way. So far probably over two-thirds of the business done by the three joint ventures which are permitted to do the full range of business has been in foreign currencies. Chase National is generally reckoned to have the biggest operation of the three. Having opened its doors in September, 1975 it already has a second branch on Zamalek Island and is planning to open a third in Port Said.

A number of the new Cairo banks have participated in big loan pacakages, like a $42m. loan for Seaspeed Ferries, which was Cairo Barclays first placement, and the recent $230m. cost overrun loan for the Sumed pipeline in which a number of Cairo banks participated.

Of non-banking finance organisations Tennants is very active handling, it is believed, about £1m. a month in supplier credits. Others are still waiting for a large-scale investment chain to develop.

One of the most interesting aspects of the opening of the door to foreign houses and the operation of foreign currency accounts has been the "leakage" of dollars amounting to an[y]thing from $5-10m.

Originally, it came main[ly] through the Arab Internation[al] Bank. Since last year, howev[er] Egyptians have not run the ri[sk] of prosecution for possession [of] hard currencies. This follow[s] measures which were partly recognition of the existence [of] the black market. With t[he] introduction next month of t[he] new commercial exchange ra[te] citizens will be formally [at] liberty to buy, sell and ow[n] foreign exchange. Already [in] anticipation of the change t[he] rate for the dollar on the bla[ck] market has sunk to 71 piastres.

As they circumspectly [...] their cocktails, the m[...] interest of many fore[ign] bankers is observing the ext[ent] of Egypt's arrears on suppl[ier] credits and bank-to-ba[nk] borrowing.

Bankers have adjusted m[ore] or less, to Egyptian standa[rds] of a stable 2-4 months span [of] supplier credit arrears and e[...] nervously accept bank-to-ba[nk] repayments on a basis of w[hat] has jokingly become known [as] "Egyptian mail credit" wh[en] longer than usual notic[e] postal delays are called on [to] explain arrears of four and e[...] six weeks.

One disillusioned Americ[an] banker doing small-scale s[up]plier credit business but w[ith] no investment portfolios co[m]mented "I don't know w[hat] we're all doing here real[ly]." But as a Ministry offic[ial] reminded, bankers come [...] and they come in packs. Acc[ept]ing for the most part that th[ey] are first in the field in a lo[ng] hunt, they retain the p[...] instinct, sound each other [...] and patrol the cocktail circ[uit] for the elusive scent of so[und] investments.

M[...]

Suez area transformed

COMPLETION this summer of "the new map of Egypt" will bring to a climax the work of a series of planning groups attached to the Ministry of Housing and Reconstruction.

Reconstruction Minister Osman Ahmed Osman's idea of applying the co-ordinated efforts of six different consultancy and planning teams to Egypt's economic rebuilding programme is as ambitious, as is his entire approach to "restoring the Suez Canal region to normal life." Life has yet to return to normal in the Canal zone but the transformation within the past year has been remarkable.

Several hundred thousand people have returned. Residential areas have been built on the outskirts of Port Said, Ismailia and Suez. More than 14,000 new flats and houses have been built and more than 50,000 repaired. Hospitals are open and 150,000 children have gone back to school.

Suez, badly damaged in the war, still looks very much the worse for wear and is bursting at the seams with 150,000 people. The streets and squares of Ismailia throb with activity.

Port Said, its population now more than 300,000, has 20 per cent. unemployment. It is still short of housing for 50,000 but the new housing programme is continuing. Water, sewage and power problems remain. Despite the cramming the airy city has a jaunty atmosphere. It received its free zone status formally on the first day of the year and customs stopping points circle the city, though shop stock remains rather limited.

Infrastructure is the outstanding problem throughout the region. There is a long way to go before potential foreign investors will be satisfied with roads and telecommunications. Bomb-damaged Suez is still a pitiful sight, but its port is functioning and it remains the lynchpin of future economic growth because it has the greatest industrial potential.

The crash programme to restore the zone at least to its 1967 standards has been dovetailed with long-term plans as far as possible. Three British-led consultancy groups handed in their 25-year master plan proposals for the three canal cities and their regions earlier this year. These are being incorporated into the comprehensive regional development plans for the final quarter of the century.

Key objectives of development strategy are to make the Suez Canal into the backbone of the Eastern Desert and Sinai, not a boundary (tunnels under the canal at El Shatt —where a Tarmac Arab Contractors joint - venture has already started work—Kantara and Deversoir are a response to this); to prepare strategy for industrialisation; and to encourage foreign and domestic investment.

Regional development calls for the creation of employment in the Canal zone and of an economic entity which will boost national output. The new map is seen in those terms.

The new map, analysts judge, is a picture of Egypt based not only on President Sadat's aspirations for economic change but on political policy crystallised in the second Sinai agreement. It will include the creation of five development regions focused on Aswan; the New Valley, the north west coast, Suez and Sinai, with the emphasis on the last two.

That a significant policy change should come about through the Ministry of Reconstruction is the result of the Minister's cheerful ambition to take more responsibility—even if it means treading on other Ministers' toes. It also reflects Mr. Sadat's confidence in Mr. Osman's brand of pragmatism and capitalism.

Two and a-half years after the President set him to rebuild the Canal region, Mr. Osman's powerful embrace includes responsibility for four new cities which will circle Cairo at a comfortable distance (10th Ramadan Industrial City to the east, Sadat City to the north, King Khaled City in the south and a fourth on the Cairo-Suez road); country-wide construction and infrastructure; construction, land reclamation and development of Egypt's north west coastal region; development, construction, reclamation, irrigation and agriculture in regained Sinai territory.

M.T.

Foreign investment

AFTER AGRICULTURE, someone once said cruelly, dreams are the most important activity in Egypt.

The extent to which Egypt can marshal foreign investment will be a measure of success or failure in the vision of economic recovery through liberalisation and industrialisation. The dream could be realised if the wooed can match the patience of the wooer.

There is no lack of will. The American Embassy lists 132 companies with offices or representation in Egypt. By April, 1976, 285 projects had been approved (although 37 have lapsed because of no sign of progress after one year) with a total capital of over £E400m., two-thirds in foreign currency.

Information on implementation of projects approved before summer 1975 suggest that £E8m. had been spent. Observers guessed about £E5m. would have been in foreign currency. By the same criterion capital expenditure on free zone projects was under £E4m. By May, 1976, 81 free zone projects had valid approvals.

Oil companies, banks and tourist construction account for most foreign activity in Egypt, with negotiations and implementation at various stages. One project, Timco, a joint venture between the military sector and McEvoy Oil Field Equipment, a Rockwell International subsidiary, has been producing well-head valve equipment since last summer. While Schindler has put together a deal with the state owned Schindler Egypt, from which elevator assembly should begin this year. Timco appeared to be the only new foreign project contributing directly to Egyptian production. Officials said there were others but were unable to name them.

Hopes lie with famous names. NASR Automotive, which makes Fiats, wants to produce components jointly with Western companies. Ford, Perkins and Deutz have been approached for engines, Rockwell International for axles, and Zfag for gearboxes. Talks continue on major projects with Renault, General Motors, and Ford, but a British Leyland proposal for a Land Rover factory evaporated after last year's reappraisal when Egypt suggested a project even more ambitious than the original, according to Cairo sources.

Ford's talks show just how eager the Government is to overcome sticking points to bring in a glamour project. The Ford proposal, of great British interest since it is based on Dorset engines from Dagenham, covers production of 10,000 trucks and twice as many diesel engines a year. Egypt is currently bringing pressure, as it did successfully earlier with British Leyland, for Ford to be lifted from the Arab boycott list.

Would-be investors face three key obstacles: foreign exchange availability, infrastructure and exchange rate uncertainties. The Government could not guarantee to cover foreign exchange requirements with its present balance of payments deficit. Investors might have to wait in line for currency allocations just like Egypt's creditors. Investors are also stymied by shortage of land and office space and lack of working telephones and Telex.

Commercial

Authorities are starting to realise that foreign investors are used to working within a system where predictions are made on a commercial basis, a Government adviser said. Capital is brought in at the official rate, as things stand, and leaves at the rate "prevailing" at the time. Since this rate changes by political decision rather than market considerations the investor faces devaluation risks that are impossible to forecast, he explained.

Foreign exchange fears are well grounded. The authorities recently decreed that airline company remittances of Egyptian pounds would be exchanged at the cheaper (for the Government) parallel rate. The move has caused fears in the industry that Egypt might now default on official rate obligations and try to buy a $20m. backlog of Egyptian pounds at the parallel rate.

Moves to the commercial rate would increase burdens, and the scale of the investor's risk, as the differential increases. Changes like this in the "prevailing" rate of remittance exchange aggravate difficulties in predicting future returns on investment.

Officials in Egypt validly say that only since the Sinai Two Agreement with Israel have political conditions been genuinely suitable for major investment commitments—"so the first full year is not yet up." But the gulf between predictions and achievements is making potential investors wonder about the hypotheses on which Investment Law 43 of 1974, which revised investment rules, was based.

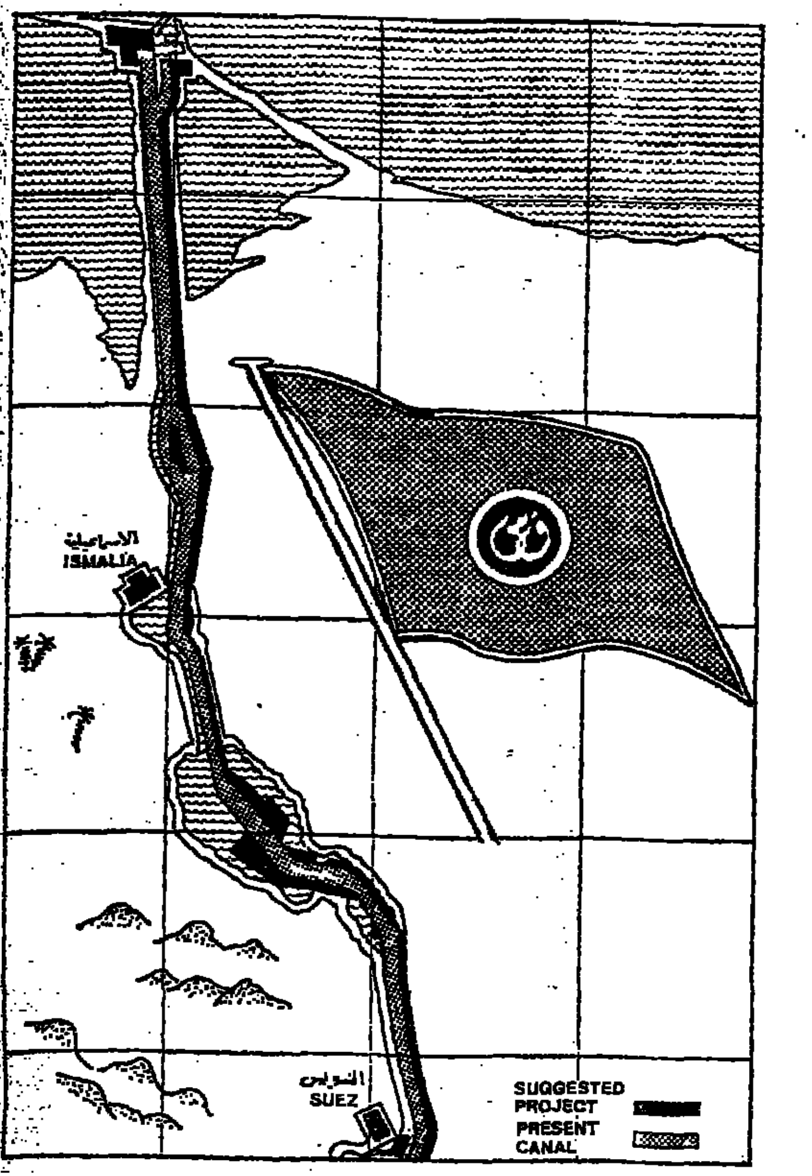
One assumption was that Egypt would be able to industrialise quickly and reduce its balance of payments deficit by tapping the export market of Arab neighbours. Law 43 is so export-orientated that many companies would have to export 60-80 per cent. of production to finance input requirements, repatriate profit and satisfy all Egyptian demands. Michelin, which is trying to set up a joint venture to produce tyres is understood to be basing projections on exports of 50 per cent. of production. But the venture has heavyweight political encouragement from both Paris and Cairo. Other companies have done their sums and left.

A number of key questions are now being asked. Why should petrodollar surpluses be spent on Egyptian produ[cts] when the Arab and Gu[lf] states are already the aren[a] for the best salesmen tοtin[g] the world's best goods? Wit[h] larger scale modern productio[n] available elsewhere wh[y] should modern industry b[e] able to produce more cheapl[y] in Egypt? Why do investmen[t] regulations seem weighte[d] against import substitut[ion] industries?

Rationale for free zone industrialisation poses eve[n] more serious questions. Wa[s] Egypt remiss in not remindin[g] investors that their free zon[e] production would not b[e] eligible for the same benefit[s] as local production in terms [of] sales on the Arab market[s]. Under Arab Common Mark[et] rules free zone productio[n] would be subject to all th[e] customs duties of local Ar[ab] countries.

Nor are the benefits to th[e] Egyptian economy of free zon[es] as numerous and embracing [as] many officials and businessm[en] imagine, according to ma[ny] economists. The chief benefit [is] clearly the creation of jobs. [A] secondary benefit, foreign bu[si]nessmen point out, is [the] raising of standards to compe[ti]tive levels. These points apa[rt] it is difficult to see how fr[ee] zone development will he[lp] raise the standard of living [or] income of Egypt's 39m. peop[le].

M[...]



the SUEZ CANAL and its FUTURE

The Suez Canal will remain the most important and the greatest waterway for world navigation, linking the East and the West. Since its creation more than a century ago, it has been providing the most efficient services to international trade—thus contributing to the welfare and development of the world.

SIGNIFICANCE OF THE CANAL

The geographical position of the Canal has made it the shortest navigable route between the Eastern and Western hemispheres. It is thus economical because it spares vessels making the long trip around Africa. The distance saved varies between 17% and 59% and the economy in fuel between 50% and 70% depending on the tonnage, speed and the destination of the vessel. The Canal lies in an area of safe navigation, the proportion of accidents in the Mediterranean and the Red Sea being lower than in the Atlantic, especially in the vicinity of South Africa.

The Suez Canal is considered as the best criterion by which the evolution of world economy may be measured mainly in respect to European countries, since transiting goods constitute a large proportion of the East-West trade.

EFFECTS OF THE 1967 WAR

As a result of the June war of 1967 and the Israeli occupation of Sinai, the Suez Canal was closed for a period of eight years, during which world economy and trade were deeply affected. This was represented by about $1,700 millions annual losses, mainly resultant from increase of transport costs, according to estimates by the United Nations Conference on Trade & Development held in Geneva in October 1973. This was in addition to recession and losses suffered by the ports of the Mediterranean and Red Sea. The total losses sustained by the Suez Canal Authority in the form of revenues and damage during this period amounted to about $1500 million.

THE GREAT CROSSING

On the afternoon of October 6, 1973 the Egyptian armed forces crossed the Canal and succeeded in changing the regional balance of power. This led, in short, to the re-opening of the Suez Canal on June 5, 1975. The man responsible for this admirable action was President ANWAR SADAT.

CLEARANCE OF THE CANAL

Following the success of the October war, the Suez Canal Authority embarked on clearing the Canal and preparing it for navigation, in two stages:

— *First stage, from February 1974 till the end of March 1975:*

It was carried out by the Authority's experts in collaboration with groups from the armed forces and the Ministry of Interior. The U.S., British and French naval units participated in this accomplishment with their equipment and experience. The Canal sides, navigable channel and approaches were cleared from all obstacles and war ordnance.

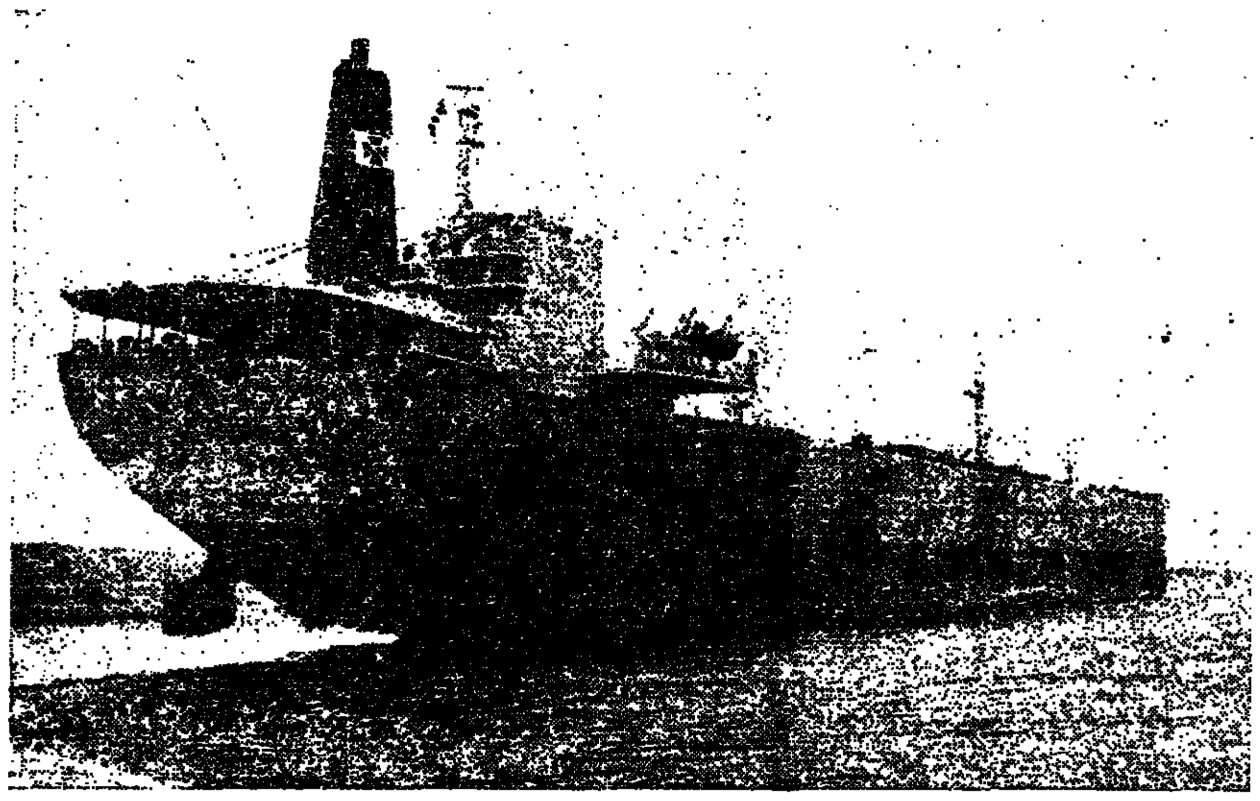
— *Second stage, from April 1, 1975 till June 4, 1975:*

It became definitely certain that the Canal is absolutely clear and the equipment as well as staff have been provided. Signal stations and communications equipment were replaced. Several transit trials were carried out in the Canal.

But it remained necessary to remove the causeway blocking the Canal at Deversoir and composed of concrete blocks, heavy rocks and barges loaded with stones. There was no heavy equipment capable of dealing with the causeway. The roads leading to it were blocked by many obstacles and the procurement of outside equipment would have required some time. Therefore with a great deal of faith and determination, the Authority succeeded in removing the causeway, using such simple equipment as was available and reinforcing this with manual labour.

CHARACTERISTICS OF THE PRESENT CANAL

Length of the navigable channel from the fairway buoy to Port Said lighthouse	11.5 km
Length from Port Said to Port Tewfik	162.5 km
Length of the straight section of the Canal	142.5 km
Length of the Canal curves	20 km
Length of the sections passing through the Lakes — Bitter Lakes & Timsah Lake	40 km
Breadth of the Canal at water level	160-200 m
Breadth between buoys defining the navigable channel	110 m
Wet cross sectional area	1800 m²
Maximum draught for vessels	38 ft
Allowable speed for loaded tankers	13 km per hour
Allowable speed for tankers in ballast and cargo-ships	14 km per hour



Tanker passing through the re-opened canal.

RE-OPENING OF THE SUEZ CANAL

• On June 5, 1975 President ANWAR SADAT announced the re-opening of the Suez Canal and delivered a speech in which he said:

"The son of this good earth who has dug the Canal with sweat and tears to be a link between continents and civilisations and crossed it with the souls of holy martyrs to spread peace and security on its banks . . . is today re-opening it for navigation as a waterway in service of peace and artery channelling prosperity and co-operation between humans."

THE IMPROVEMENT PROJECTS

According to the constant studies made on the evolution of the world tanker fleet and the need of countries north of the Canal, particularly West Europe and America, for Gulf oil, the Suez Canal Authority started the execution of huge projects to develop the Canal in two steps:

The first step: aims at widening and deepening the Canal so as to increase its wet cross-section to 3,200 sq. m. instead of 1,800 sq. m. and the transit permissible draught to 53 ft. instead of 38 ft., thus allowing tankers up to 150,000 tons to transit fully loaded and tankers over this tonnage to transit in ballast or partially loaded.

Works involved in this step started effectively on the 22nd February 1967, but were it not for the Israeli occupation they would have now been achieved.

The second step: aims at widening and deepening the Canal so as to bring its cross-section to 4,200 sq. m. and the transit permissible draught to 67 ft., thus allowing tankers up to 260,000 tons to transit fully loaded, tankers up to 300,000 tons partially loaded and tankers over this tonnage, in ballast.

The total cost for the execution of this huge project in its two stages—including furnishing the Canal with modern sets and equipment for pilotage, signal and navigation aids, as well as the floating units, amount to about £500-600 millions of which an equivalent of £300 millions in foreign currency, including the construction of Port-Said by-pass and the improvement of Port-Said harbour.

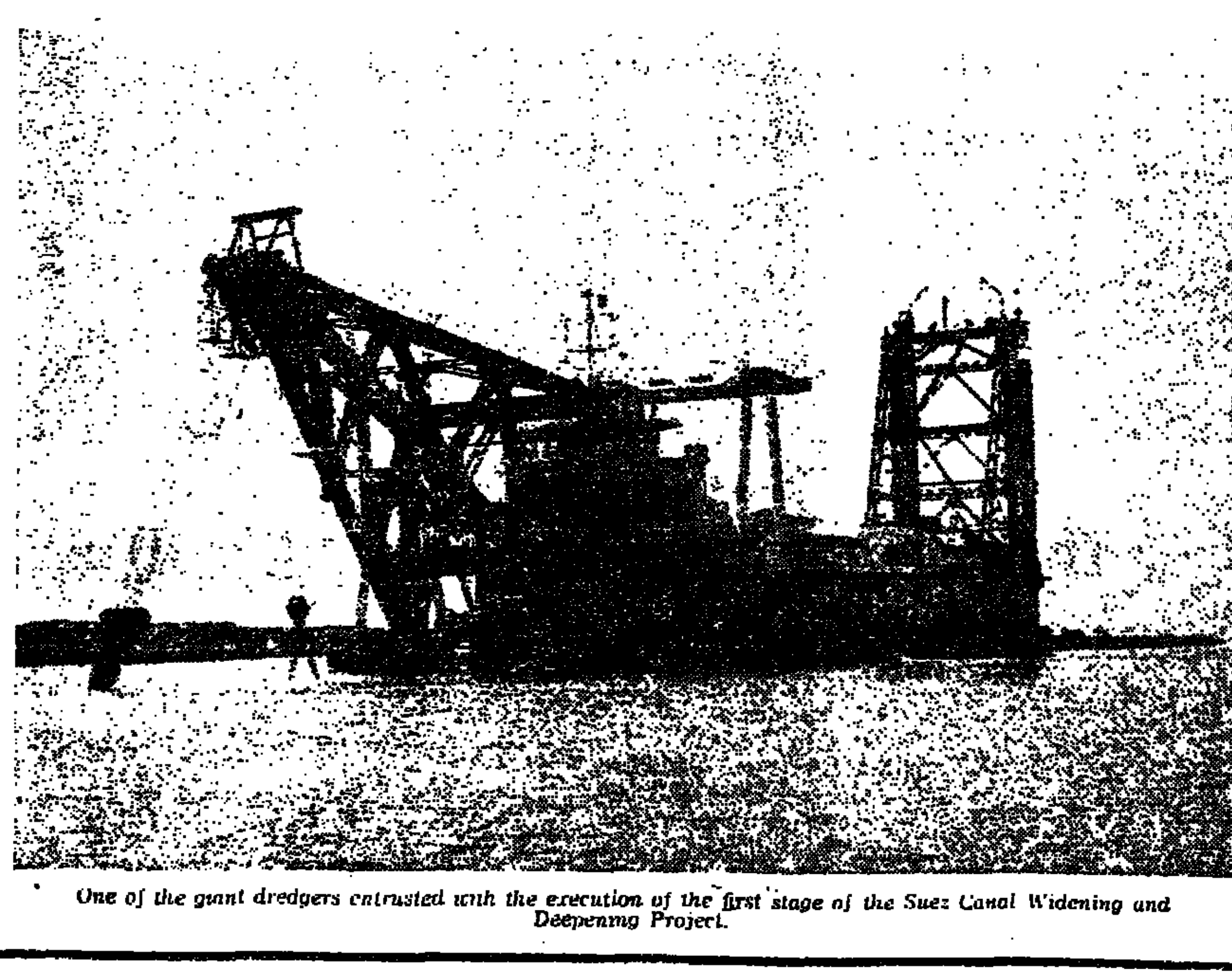
The completion of that project will augment the transiting capacity of the Canal to 24,000 ships annually, corresponding to a daily average of 65 ships. This capacity will meet all the requirements of the traffic in both ways.

PRESENT TRAFFIC

Traffic in the Suez Canal is now running at almost two-thirds of its former level prior to closure in 1967, but the tonnage is higher than before due to the growth in size of transiting vessels.

The following figures show the daily average of transits since the re-opening of the Canal:

11.3	ships in	June	1975
21.3	„ „	July	„
24.8	„ „	August	„
28.4	„ „	September	„
30.1	„ „	October	„
32.8	„ „	November	„
34	„ „	December	„
37	„ „	January	1976
39.2	„ „	February	„
44	„ „	March	„



One of the giant dredgers entrusted with the execution of the first stage of the Suez Canal Widening and Deepening Project.

Irrigation at high cost

THE MINISTRY of Irrigation has traditionally been the servant of whatever agricultural strategy Egypt has chosen to follow. From the advent of the Nasser regime until 1958, the emphasis was mainly on vertical expansion of agricultural production through agrarian reform, the extension of the co-operative system, consolidation of dwarf holdings and the installation of a comprehensive drainage network. Indeed, it was just when these policy priorities began to shift in 1958 that it was announced that the Ministry of Irrigation would undertake a 20-year programme to complete the drainage system.

When the Soviet Union agreed in 1958 to finance the first stage of the High Aswan Dam, Egypt entered a new era where virtually all agricultural hopes were pinned to horizontal expansion through desert reclamation. The target was set at 1.2m. feddans (1 feddan = 1.038 acres), which would absorb most of the 7.5bn. cubic metres that constituted Egypt's share of the increased water supply resulting from the dam. Three-quarters of all investment in agriculture and irrigation (including the High Dam itself) in the first five-year plan (1960-65) was devoted to horizontal expansion.

The Ministry of Irrigation was charged with installing the water delivery systems for the new projects. Its activities in the old lands were confined to maintenance and replacement of existing systems (including 41,000 km. of canals and drains). Extension of drainage network in both old and new lands became of secondary importance because of the mistaken assumption that one of the effects of the High Dam would be an overall lowering of the river level and a consequent improvement in natural drainage. The mistake lay in the fact that the more abundant water and more intensive cropping patterns have caused the water table to rise, leading to widespread waterlogging and increased soil salinity.

Horizontal expansion remained Egypt's official credo after the June War of 1967 although there were virtually no funds to finance any programme, horizontal or otherwise. Waterlogging and salinity became serious problems in the old lands, and in 1970 Egypt, through the Ministry of Irrigation, joined with the IBRD to introduce tile drainage to Egypt's fields. By 1975 nearly 100,000 feddans had been brought within the new system. At experimental sites it has been demonstrated that improved field drainage leads to increases of crop yields up to 20 per cent. Moreover, tile drains, being buried beneath the surface, can free land—perhaps as much as 300,000 feddans—otherwise taken up by open field drains.

Doubters

Some of the old doubters of horizontal expansion, such as Sayyid Marei, have been quick to point out that improved drainage could increase total agricultural output by 30 per cent., the equivalent of expanding the valley by 2m. feddans, and at a cost of around £E300m., whereas adding 2-3m. feddans of reclaimed land to the cultivated surface would cost at least £1bn.

But the drainage problem is even larger than this for, as of 1974, only a little more than a third of Egypt's 6m. feddans were serviced by main and secondary drains. In short, as the Ministry of Irrigation itself projected, Egypt would be doing well if main and secondary drains would be extended to 80 per cent. of the cultivated surface and tile drains to 60 per cent. by the year 2000. Parenthetically, one might well ask 80 and 60 per cent. of what? For Egypt loses net each year 20,000 feddans to urban and village encroachment, and the nibbling process appears to be uncontrollable.

By 1970 the real costs of desert reclamation were emerging. The sandy soils of the western and eastern fringes of the Delta were greatly inferior to those of the valley proper. It has taken about ten years from the beginning of reclamation to bring any given site up to marginal levels of production, and the per feddan costs of reclamation, including social infrastructure, have averaged over £E500. While reclamation has begun on 900,000 feddans, only a few areas have produced a surplus. Each year the State has had to cover a deficit of about £E10m. on the operations of the reclaimed areas.

Compounding the problem was the irrigation system itself. In the sectors of North Tahrir and West Nubaria, an area of some 300,000-400,000 feddans to the west of Alexandria, the irrigation network was designed to deliver water on the ten-day cycle common in the valley. But the sandy soils of these sites cannot retain water for so long. Not only was the growth of plants affected by desiccation towards the end of the cyle, but the excess water percolated down to the water table, which rose over 30 metres in places in a few years. Natural drainage from the higher areas back toward the main irrigation canals occurred, and this drainage water contained a high level of dissolved salts. The main canals and even the pumping stations were infiltrated by salty water and in some instances had to be closed down. Lower lying lands were salted out by the eastward drift of the underground water. In 1972, Mustapha Gabali, then Minister of Agriculture, suspended all new desert reclamation projects. How to salvage what had already been done was and remains an awesome challenge.

In the past three years, very mixed signals have been emitted by Egypt's economic strategists regarding the horizontal-vertical dilemma. The upshot, predictably, is that the Government seems determined to have a good bit of both. In the last Government shake-up in March, 1976, Abd al-Azim Abu al-Atta, the Minister of Irrigation, was also made Minister of Agriculture (including land reclamation and agrarian reform) thus putting under one hat a number of bureaucracies that had often worked at cross purposes. Mr. Abu al-Atta was a fitting choice, having long served as the Director of the General Authority for Cultivation and Agricultural Projects in the Ministry of Land Reclamation. His mission is clearly to construct and apply a rational, integrated plan for vertical and horizontal expansion. Still, the initial indications of the directions in which he will move are puzzling. In terms of investments, the emphasis is still very much upon horizontal expansion, despite the more compelling benefit-cost argument for tile drainage and other programmes in the old lands.

In the 1976-80 five-year plan, it is initially estimated that £E460m. will be invested in agriculture and £E300m. in irrigation. The agricultural component will include £E152m. for vertical and £E258m. for horizontal expansion. It was first stated that reclamation would be begun on 139,000 feddans, but recently there has been talk of 391,000 new feddans. This policy option has the backing of President Sadat, who in recent months has repeated that Egypt's growing population must move out of the valley and conquer the desert. Much of the thrust in this direction has come from Ahmad Osman, the Minister of Housing and Reconstruction, who is responsible for rebuilding the canal zone, including land reclamation projects, but has more ambitious plans in mind.

Cleavage

Affirmation of the new priority has been the appointment of Bahgat Hassanein as Minister of State for Reconstruction. It has been suggested that all reclamation sites be put under the direction of public or mixed (including foreign partners) companies and these in turn under the supervision of Mr. Osman and Mr. Hassanein. Having overcome the old cleavage between the Ministries of Agriculture and Irrigation, a new one may well emerge between the latter and the Ministry of Housing and Reconstruction.

Mr. Osman talks as if water and suitable land were available in limitless amounts. Mr. Abu al-Atta is more cautious but even he talks of reclaiming 2-4m. feddans before the end of the century.

If one could reduce over-use of irrigation water by half then Egypt would have available a maximum of 25m. cubic metres, enough, according to the Ministry, to reclaim 4m. feddans. There is, however, a great distance between theory and application. For what crops and soils are the drainage waters (800-1,000 parts salt per million) suited and what will be the cost of their re-use? During the reclamation phase desert soils require about 10,000 cubic metres a year. Four million feddans could require yearly for at least ten years 40bn. cubic metres. The Equatorial Lakes and Upper Nile projects are but a gleam in the eyes of Egyptian and Sudanese planners, and the Jongeli canal project which would net Egypt 2bn. cubic metres per annum, is at least six years away. And all the projections assume that industrial and domestic use will not grow much beyond 1bn. cubic metres a year, itself a substantial underestimate of actual use. Little mention has been made to date regarding costs, techniques and returns on what must be massive investments. If trickle and sprinkler irrigation were introduced in old and new lands, waste and reclamation needs for water could be substantially reduced, but the cost of this technology is very high. It might be cheaper to put excess Egyptians on the dole than to conquer the desert.

John Waterbury

EGYPT'S WATER BUDGET

	billion m³
Currently available Nile water at Aswan	55.5
Return flow (drainage and seepage) Aswan-Cairo	2.3
Utilised drainage water in the Delta	2.5
Ground water	0.3
Annual Sudanese "loan" until 1977	1.5
Total	62.1
Current use assuming 11.3m. cropped feddans:	
Crop needs	39.9
Conveyance losses	8.0
Misuse on field	9.9
Navigation and release during January stoppage	2.5
Industrial and domestic	1.0
Total	61.3
Future potential:	
Re-utilisation of Delta drainage water	12.0
Egypt's share of Equatorial Lakes projects	9.0
Total	21.0

Trade gap grows alarmingly

EGYPT IS currently experiencing its most severe trade deficit ever, and one which shows every prospect of further deterioration unless strong curbs on consumption are successfully applied. The lag between production and consumption has increased sharply. Last year imports for both the industrial and agricultural sectors exceeded exports from both for the first time.

While total exports in 1975 were just under £E550m., imports topped £E1.5bn. With the deficit running more than £E950m. ($2.2bn.), two problems stood out. Cotton production was on the decline but domestic consumption remained high, causing a sharp reduction in the exportable surplus. While the major proportion of Egypt's inelastic export output went to the Soviet Union the cost of imports bought with hard currency from Wesern countries rocketed.

Primary exports dropped almost £E100m. last year to £E261m. (of which £E201m. was raw cotton). The textile industry improved so that semi-finished products like yarn earned almost £E90m. and exports of finished products upped their value by nearly half to almost £E150m. But this almost steady performance was far outstripped by the enormous rise in the import bill as consumption surged and machinery and raw materials were bought in last year's drive to free idle capacity in industry.

Record

Consumer commodities registered a rise of over £E100m. to £E267m. as the Government bought flour, tea, coffee, meat and sugar to meet domestic needs. Individuals imported a record number of cars as import laws were relaxed and purchases by Egyptians with money held abroad became popular. Cars, spare parts and other capital purchases rose from £E124m. to £E260m. in 1975.

The cost of intermediate commodity imports, from fats and oils to iron and steel, doubled to £E619m. Imports of crude petroleum multiplied nearly fivefold to over £E100m. while exports of crude and products barely rose above the usual £E50m.

The only import bill which fell was for wheat. But at £E213m. this remained the most expensive single item on Egypt's comprehensive shopping list. Egypt did begin to benefit this year, however, from quarterly price reviews on its purchases from Australia, which accounts for the bulk of commercial sales.

Recovery

Officials say that Egypt will now seriously apply its policy of checking the increase in consumption and improving trade, especially through industrial exports. Last year did see an industrial recovery but the boost has yet to show in exports. Public sector industrial exports (mainly textiles) were steady last year at £E60m. in convertible currency and £E111m. in bilateral trade agreements. Private sector exports dropped to £E3.6m. (convertible) but rose to £E55.4m. in trading agreements.

Total industrial exports rose from £E226.1m. to £E230.8m. in 1975. Industrial imports rose from £E213m. to £E286.4m. (made up of: official exchange rate deals £E142.3m.; parallel market rate deals £E65.5m., with bilateral trade down to £E78.6m.).

Despite all the hopes observers see no chance of improvement in the industrial trade deficit, since the Ministry of Industry foresees similar export levels this year while import requirements are expected to go up £E353m., three-quarters of it in foreign currency.

Over and over again the trade figures highlight the imbalance between the high level of hard currency imports from the West and the high proportion of exports which drain away to the East. For more than a year Egypt has been cancelling payments agreements when they come up for renewal. The broad strategy is to release inflexible exports so that free market sales can ease the hard currency deficit.

But Russia and Egypt are inextricably entangled for the moment as Egypt continues to pay off its civil debts. Hopes faded earlier this year for a Saudi-backed fund of $7.11bn. which could have taken over entire responsibility for debts including those to the Soviet Union. This would have freed the cotton crop for the world market.

As it turned out, Cairo and Moscow signed a £E321m. trade protocol in April, 1976, confirming the Soviet position as biggest trading partner. Under the terms Egyptian exports of cotton, crude oil, textiles and oranges will total £E196m., with imports of coal, newsprint, timber and machinery valued at £E125m.

The extraordinary trade position in which long-established commitments to the Eastern bloc countries have placed Egypt is quantified simply. In 1975 exports to the eastern bloc were 67 per cent. of the total (1974 52 per cent.) and imports from the Communists payments agreements countries were 15 per cent. of all imports (1974 32 per cent.).

Doubling

Last year more than 60 per cent. of all imports came from the West and Japan, with imports from the U.S. alone doubling to nearly £E300m. Hammering home how ill Egypt can afford these hard currency imports, which are financed at huge cost, exports to the U.S. last year dropped to £E800,000.

The deterioration went right across the board. Trade with Britain, which supplies vital machinery and engineering equipment, changed from a slight balance in Britain's favour in 1974 to a deficit of over £E29m. on imports by Egypt of £E31.8m.

The race to release what can be salvaged from the exportable surplus (or developed through increased production) from the grip of the payments agreements will remain the No. 1 priority for several years to come.

M.T.

Need for investment

MACHINERY GROUND to a halt with such regularity in one Egyptian public sector company several years ago that the chairman is said to have arranged his holidays in Europe to fly back with spare parts bought at his own expense crammed into his personal luggage.

This aptly illustrates the difficulties faced by industrial managers in a country which still suffers from acute inefficiency and lack of hard currency for raw materials and upkeep. A cash squeeze on maintenance and spare parts is only one hazard in a national industrial machine hampered by power cuts, lack of components, poor transport, overmanning and absenteeism.

Last year, following an injection of £E230m. allocated under the 1974-75 Transitional Plan, Egypt's unused industrial capacity recovered from its low point where idle capacity had reached 35 per cent. overall and even 60 per cent. in individual cases. Performance in 1975 improved 15 per cent. at current prices (10 per cent. in real terms), according to the Ministry of Planning. Many industries returned to full capacity.

Sobering

But a sobering reminder of wasted capacity because of failure to re-equip an ageing factory was provided by the Kima fertiliser plant at Aswan, where 1973 output, already far below the 380,000-tonne capacity, dropped by more than half to under 100,000 tons. Last year it recovered to almost 300,000 tons. Egypt's erosive economic cycle was highlighted by the Kima crisis because the fall in production there forced up fertiliser imports, aggravating in turn the balance of payments deficit which had been the original cause of the capital shortage.

Economists in Egypt are concerned that the country could lapse back into a similar cycle if cash flow dried up again. This year there have already been indications that the large trading companies may have to cut back exports across the board.

Contrasting with the Government's avowed aim of turning Egypt into an industrial machine to pay for food which cannot be produced locally, Egypts' industrial sector last year accounted for only a fifth of Gross National Production (£E4.8bn.) and industry provided only one-eighth of jobs. The sector does, however, produce more than a third of export earnings. Last year's target was £E184m., which according to preliminary calculations was exceeded last year.

Foodstuffs and the textile industry are the largest sectors by value of output. Spinning and weaving topped its £E650m. target following an improvement of £E40m. over target from the private sector. The textile industry is based on Muhalla el Kubra, north of Cairo, and Kafr el Dawar outside Alexandria. It puts out a third of all public sector production and employs half the public sector labour force of 570,000.

Food processing is almost as important but produces less for export. Food and textile growth has been slower recently compared to the rise of construction and chemicals, but last year's food output (£E700m.) was well above target.

In 1975 much of the effort was directed at taking up the slack in chemicals, where injections of cash pushed production up from less than £E200m. in 1974 to £E270m. with the help of improvements in the private sector.

The Kima plant responded to loans from the World Bank and UBAF, the French Arab banking conglomerate, but fertiliser targets were not met because of delays on work at the Talkha plants. The late schedule forced the Egyptian General Petroleum Company to hold back gas production from Abu Gharadeq.

Another of industry's sick men benefiting from cash releases for raw materials and renewal was the Alexandria-based Egyptian company for Chemical Industries, where production had stagnated during alterations to the Romanian-built factory to the extent that the People's Assembly had demanded an investigation into its serious losses.

Following a measure of success in harnessing capacity in chemicals the push will now be concentrated on building materials and metallurgy—building materials to cater for the construction surge where expensive imported materials are pushing up costs, and metallurgy because Egypt has already taken the plunge into the capital-intensive iron, steel and aluminium industries.

Production at the Soviet-built Helwan iron and steel works, just south of Cario, was only half its 1.5m. tonne target following shortages of coke and inconsistent quality in the iron ore now being brought from Bahareya. The Nag Hammadi aluminium works, based on Indian bauxite and Aswan High Dam electricity, reached its Stage 1 33,000-tonne capacity this year. But there is doubt whether successive phases will go ahead on schedule. Highly placed sources said negotiations were at a standstill following the recent deterioration in relations with Moscow.

Prestige

Illustrating best the gamut of problems facing leaders of industry—who often have to bandle production lines whose very existence is based on prestige or social consideration—is the case of Nasr Automotive, which makes Fiat cars under licence.

Unrealistic directives to produce a car with a 90 per cent. local content have never been met. Targets (that for 1976 is once again 10,000-plus units) have been impossible to meet. Foremost among a legion of obstacles has been the shortage of foreign exchange. Imported components have simply been unavailable and production schedules were sent lurching. Western-style production control is simply not applied, according to one disillusioned Western expert.

Factory profitability relates to economy of scale, while low wage costs are more than counterbalanced by gross overmanning—a product of the high social value put on jobs under the previous regime. One Western industrialist said sympathetically "What do you expect? Nasr Automotives have ten thousand men to make ten thousand cars when an American car production line in Spain, for example, could project production of a quarter million a year with half the labour force."

Power cuts, component and paint shortages, breakdowns and absenteeism and a local content of only 25 per cent. meant that it would have been easier to import Fiat cars direct. A move to import in this way for relabelled resale was started, in fact, this year, ostensibly because of re-tooling preparations for a new Fiat 132 production line.

Significant improvements in private sector output were made last year, but private industrial production continued to make up a quarter of total value, as it has long done. Its contribution to industrial output was due to rise this year to about 30 per cent. of 1976 targets, however. Observers wonder what will be the effect of more costly imports because of the commercial exchange rate and higher tariffs.

Gross value of industrial production covered by the Ministry of Industry in 1975 was £E2.275bn. But this did not include defence production from Egypt's 30 or so military factories; or cotton ginning, flour milling, bakeries, tea packing, printing, pharmaceuticals, iron ore production or industrial handicrafts. For one reason or another these are considered by the administration separately from industry.

This year building materials passed out of industrial jurisdiction and now become the responsibility of the Ministry of Housing and Reconstruction. Considering industry in toto gross output last year was £E3.3bn; according to reliable sources, of which less than 10 per cent. was military. Net value added was estimated at £E805m. The current year's gross industrial production should reach £E3.6bn., about £E875m. net.

Last year's release of cash to the industrial sector pushed production up and the year as a whole was a success. But one senior official warned: "The focus this year must be on the renewal of machinery. If we do not invest in renewal this year we will have production line breakdowns which will lead to idle capacity next year."

M.T.

هكذا من الأصل

Bursting at the seams

EGYPT COULD be twice its present size, and still not large enough. The desert is mostly untamed, and the narrow Nile Valley is not enough to feed and support a population of over 38m. It was fine for the 2m. people Napoleon found in 1798. If not the granary of the world as in Roman times, its wheat crop was still a prize plum passed from empire to empire.

Doubles

But now its population doubles every 30 years, and the steady increase in people bulges further and further out of a national infrastructure the seams of which are already coming apart. "If we have these problems with 38m., what are we doing for the other 38m. who are coming whether we like it or not?" asks Dr. Aziz Bindari, chairman of the Egyptian Population and Family Planning Board.

The first approach was to introduce a massive family planning programme, begun ten years ago. Partly because of its effect, and partly for social and economic reasons, the birth rate has dropped from 43 children per 1,000 population ten years ago to 35. The average family now has 4.5 children rather than six.

But the advances of medical technology have also brought a decrease in the death rate, particularly of infants. The result is that Egypt's population is still growing at a rate of between 2.2 and 2.6 per cent. a year. Egypt has not had a census since 1960, although one is scheduled to begin in November.

Resigned to the reality that the other millions "are coming whether we like it or not," Dr. Bindari, his agency, and the Egyptian Government have begun to take a broader view of the population problem. They are beginning to look at the population's basic characteristics—its health, education, distribution, and age structure.

One major goal is to reduce the migration of the rural population to Cairo, which was designed for 2m. or 3m., but now has over 8m. people. Tens of thousands of refugees from the Suez Canal area, bombed by the Israelis during the fighting, have also moved into the city. The Government plans, and in some cases has begun, a rebuilding programme in the canal cities of Suez, Port Said and Ismailia to lessen the strain on Cario.

Services

There are also plans to encircle Cairo with a string of new cities, far enough away at about 50 kilometres to prevent them from being an extension of Cairo but close enough to take advantage of its services. New industry will henceforth be directed towards these new cities.

Work has recently been completed on a master plan for the 10th of Ramadan New Industrial City, eventually for 500,000 people, on the road from Cairo to Ismailia. A contract has just been awarded to a group of American firms for the master planning of Sadat City on the Cairo-Alexandria road. It also would have a population of 500,000. A third city, named after Saudi King Khaled, is envisaged for the Fayoum road south of Cairo.

The lack of jobs in Egypt is so serious that the Government is encouraging workers to move to other countries. Already there are hundreds of thousands of Egyptians working abroad, particularly in oil-rich Arab countries such as Libya, Saudi Arabia and the Gulf. At the end of May the Ministry of Manpower and Technical Training announced it was beginning a survey of potential new or increased labour markets abroad. Press reports said "the African area is still virgin and can absorb tens of thousands of Egyptian workers."

But Egypt loses by the outward migration in that skilled workers badly needed at home find that they can earn much higher salaries in other countries. "It is a kind of bleeding," says Dr. Bindari. "We are losing what we have been paying a long time to bring along."

To adapt the country to what the Government hopes is a changing economy, the Prime Minister, Mr. Mamdouh Salem, announced on May 22 the formation of a higher council for the planning of manpower programmes. Its tasks will include the education of rural labour towards the use of electricity in agriculture, a combination of industry and agriculture in the villages, and new training programmes to produce skilled workers and craftsmen.

Dr. Bindari says there has been too much emphasis on providing a free university education when "we don't even have an institutional education to get a good carpenter." The university graduates have little to look forward to other than a Government-guaranteed civil service clerkship at £30 per month in an already over-staffed bureaucracy.

Crisis

The educational system as a whole is in constant crisis. The illiteracy rate, 70 per cent., is actually higher than it was ten years ago because funds have been allocated for other purposes—primarily military. The number of children not at school may be close to 40 per cent., and those who are there are often in triple sessions with poorly paid teachers. The Government has announced that by 1980 every child eligible to begin in primary school will do so, but this has been said before.

Health is as much of a problem as education. Sixty to 70 per cent. of the rural population suffers from bilharzia, a worm that is picked up from stagnant water and lives in the veins. It makes its victims anaemic and eventually can weaken them to the point where they fall to other fatal diseases. There is hardly an Egyptian who, sometime in his life, has not had the eye disease trachoma.

Although there are good health facilities, with a clinic for every 5,000 to 8,000 people and medicine is free, there is still not an efficient health care system, Dr. Bindari admits. More damaging, however, are the poor environmental conditions under which most people live.

Finally, Egypt has to contend with a population structure where over 50 per cent. of the population is under 20. What will happen when they reach the job market is unclear. When the family planning programme was started, the approach was quite simple, Dr. Bindari says. It was simply to give the right information and equipment to the people, on the assumption that the birth rate would go down, and the social problems would take care of themselves.

"We were focusing on one aspect and forgetting about the others," Dr. Bindari says. "We were forgetting that family behaviour is part of social behaviour. After ten years of effort we are starting to realise the problem is not that simple."

Timothy Phelps

A melting pot of nuclear projects

IF ALL the nuclear power projects of the past two decades had progressed further than talks, sixteen nuclear reactors from seven countries might have been either built or under construction in Egypt, with more than 5,000 MW of generated power just round the corner. As it is, Egypt has a 2 MW experimental nuclear reactor at Inshass, between Cairo and Alexandria, installed by the Soviet Union in 1961. It produces isotopes mainly for medical and research use.

Egypt's melting pot of nuclear projects produced a letter of intent by Government in March this year. If contracts are signed next September Westinghouse will provide a 600 MW pressurised water reactor at a cost of $325m. Providing that the U.S. Government gives the company the go-ahead and the money is found, the six-year construction programme at Sidi Kreir, west of Alexandria, could start in 1977. But Westinghouse's Egyptian project is highly sensitive in the U.S. and approval cannot be considered a foregone conclusion.

Last year France formally agreed to help with the 300 MW second stage of Abu Qir power station, the first stage of which is financed by the African Development Bank and the Arab Fund, but less is heard of last year's much publicised French nuclear power station to produce 600 MW. At the time there seemed a gulf between Egyptian hopes and the French promise to "help with research." A thermal station at Suez is to be built with Austrian help. An American agreement providing $99m. towards a 300 MW station in Ismalia was signed last month.

Solution

One Cairo professional man saw the power situation in terms of Egyptian character. "For thousands of years the Nile has been the big solution to the great problem of feeding people in a country 97 per cent. desert. We like cure-all solutions. We think of the 'big one' just around the corner—like punters at the racetrack. Before it was constructed the High Dam acquired attributes in popular thinking that it was never designed to meet. The power solution till the end of the century was one happy concept."

Last year Lake Nasser filled to its full operating level of 176 metres for the first time. Power production was up last year, High Dam officials say, to 9.3bn. kWh. compared to 8.5bn. kWh in 1974. The Higher Planning Council, Egypt's think tank under former Premier Muhamed Hatem, recently stated, however, that 1974 production was 6.5bn. kWh.

A senior official confided privately that one might expect the Ministry of Power to err on the side of understatement because overstressing a shortage from the Dam gives more chance to fashionable nuclear projects. He believed that shortages were exaggerated, since Cairo's chronic cuts in domestic and industrial supply are caused by the inadequate and decaying distribution network. "The Ministry of Power spends money producing power but neglects the distribution net, making all future industrial development unpredictable," he said.

Confusing

Further examination of the output leads to the murky recesses of serious measurement in Egypt, which is at best confusing and at worst impossible. But a few "facts" stand out:—

The total installed capacity of the Aswan High Dam is 2,100 MW.

Generation decreases during the December-January cleaning period when output is reduced to 900 MW.

The Aswan High and Low Dams in 1975 produced half the power used in the Egyption grid.

The full potential cannot be used because the requirements of electricity generation conflict with those of irrigation.

A large amount of power generated is unused because Egypt does not have an efficient grid capacity.

Emotions about the High Dam cannot be disconnected from politics and the tarnishing of the late President Nasser's image. Mire thrown around the last regime has affected the Dam's image, obscuring statistical scrutiny and objective assessment.

Glamour

As irrigation and power problems continue to increase, the Aswan glamour has turned to lack-lustre. Last year the Government resurrected a 50-year-old plan to fill the vast Qatara depression with water to generate power for decades to come. The scheme is being studied by experts paid for and provided by West Germany.

Current thinking is to blast a canal, possibly with a chain of tiny nuclear explosions, 50 miles southwest of Alexandria down a gentle gradient to the 1,800 square mile depression. The lake would be kept 50 or 60 metres deep and a series of turbines along the canal would generate electricity. More power could be produced from lifting water to rock storage tanks and dropping it through turbines to the lake, it is believed. Power estimates at the count were 8,000 MW.

Already Qatara plans have escalated in estimated cost from less than $500m. in 1972, to almost $1bn. in 1974, and one-third as much again when the study started. Observers wonder whether the final costs of the 20-year scheme will not inflate much further.

While Egypt is gazing at annual generation of 8,000 MW from Qatara and 10,000 MW from nuclear reactors by the end of the century, the power crisis in the short term is becoming pressing, according to Ministry of Power figures. It is not yet clear whether the extra output can be reached for the five-fold expansion of Nag Hammadi (if the negotiations are unblocked) and the doubling of iron and steel production. The Sumed pipeline will require another 1bn. KWh annually at full capacity, and rural electricity is due to consume more than 1bn. KWh in 1980.

Substantial gas reserves exist in Egypt, and optimism on oil production is not unrealistic. A case could be argued that it will take so long to bring on stream the grand nuclear and Qatara plans that "the big one round the corner" should take second place to conventional development.

M.T.

Agriculture in difficulties

MORNING in 1972 in west ...ya, in the north west a dredger cleaning a canal ...ed with the bank. Damage ...light but water started to ...rom the bank like a spring. ...r scrutiny revealed bubbles ... from the canal bed.

...incident was one drama... servation of a phenomenon ... has become the focal ... of Egypt's agricultural ...se—that of heavily saline water tables. Their eradi... is the sine qua non of ...ltural development. Ana... showed a salt content after ...dredger incident of 2,500 ...per million. This rose ...ly and reached 3,500 parts ...million six months later. ...s fluctuated as officials ...to combat the salt by flush... ...he channel, but the canal had eventually to be closed.

The rapid water table rise—1 cm a day has been recorded in west Nubariya—underlines the urgency of the issue. Waterlogging and associated salinity are a major reason why agriculture, the backbone of the economy, is stagnating. Agriculture carries for 57 per cent. of the population and accounts for 47 per cent. of employment, 31 per cent. of GNP and 50 per cent. of exports—with cotton the mainstay of a textile industry which with cotton yarn makes up 20 per cent. of export earnings.

Since the 1960's growth has slowed to less than 3 per cent., dipping to an estimated 2 per cent. last year—a rate which was outstripped by the population growth. In 1975 the agricultural balance moved into deficit when total agricultural exports dropped to £E275.1m. while imports within the sector topped £E440m. Not only is agriculture unable to feed the Egyptian people: in a matter of three years it has become a burden on the economy.

Produce

Last year farm produce was worth a net £E.1.4bn. Clover, cotton, maize, wheat and rice in that order had the highest production value, followed by tomatoes, oranges and potatoes. Exports in order of importance were cotton, which tumbled to £E201m., rice, citrus fruits, onions and potatoes.

Yields on the 1.3m. feddans under cotton (about a quarter of the cultivated area) fell last year as waterlogging took its toll. In Minufiya, the home province of Egypt's President and Vice-President, 69,000 feddans produced only 318,000 metric kantars of seed cotton as soil water ravaged roots and rendered fertiliser almost useless. The crop was down 176,000 metric kantars on an acreage only one-tenth less than the previous year, a drop in yield of almost 2 kantars per feddan.

Nationwide the cotton crop was down 12 per cent., partly due to lower acreage but yields have slipped for the past four seasons and last year fell for the first time below 0.3 tons per feddan.

While cotton has always been the main source of foreign exchange earnings, wheat has developed an even more critical relationship to Egypt's balance of payments position in the last three years. Only 60 per cent. of domestic needs can be grown at home. The rest is imported.

In the past the cotton/wheat balance remained stable, with cotton paying for wheat bought abroad. In 1974, though, the wheat import bill approached the $600m. mark, more than the total value of cotton exports even at record prices.

The wheat bill was pushed higher as bad weather reduced the home crop. In fact, the weather did more than hit production. The Government programme for introducing Mexican wheat varieties was probably set back years as farmers, coaxed into planting more than half a million feddans with Mexican wheat following a successful try-out the year before, found their crops ruined. Great hardship was felt, particularly in Upper Egypt where the full extent of the Mexican hybrids' sensitivity to heat was made crushingly apparent. Much of the delicate crop was lost at harvest and threshing.

Last year, despite a Government target of 300,000 feddans, the now unpopular Mexican wheat was planted on less than half that area, while overall wheat acreage went up. The trusted Giza 155, Egypt's greatest domestic development success, accounted for most of the crop and average yields returned to their former levels when production topped 2m. metric tonnes for the first time. This year the acreage under Mexican wheat will be little more than a tenth of total acreage if wheat farmers keep to crop pattern directives.

Field crops have performed better in the past 18 months but not enough to combat the fundamental agricultural imbalance. Rice, long Egypt's number two export earner, earned 40 per cent. less in exports than in 1974 as 2.4m. tonnes from an increased area was met by a surge in home consumption.

Increase in demand for animal products was apparent in a continuing rise in berseem and maize output. But although acreages have increased each year, Egypt was once again unable to meet accelerating fodder demand. A bad crop in 1974 triggered a tenfold increase in the maize import bill, which last year rose again to more than £E27m.

More complex was the shortage of sugar cane supply. Five years ago production created an exportable surplus. By 1974 production was 200,000 tons short of "consumption." Bad weather forced yields and production down but the dramatic shortfall was caused by a huge jump in demand. The Government met the shortfall with expensive imports sold at subsidised prices. The National Planning Institute attributed the rise in demand to an illegal sugar trade as profiteers bought cheap and sold abroad. The pattern continued last year though world prices fell and the Government raised sugar prices slightly.

Production and yields of tomatoes improved and potato output rose last year on a slightly higher acreage, as did the output of the fastest growing export earner, oranges. Onions continue to slip behind oranges in foreign earnings because of lower yields and reduced acreage.

In recent years efforts to raise the low animal protein output have been sidetracked either by policy changes or cash cuts. Investment in public sector poultry projects was to have risen from £E10m. in 1973 to almost £E33m. in 1974, but suddenly the sum was reduced to £E5.2m. Policy in 1975 was to re-emphasise poultry with almost £E20m. of investment. This was cut by half this year with another 50 per cent. cut next year as policy makers hope for a boost in private sector poultry and egg production.

Targets in 1976-80 policy, as they now stand, aim at raising last year's 117,000 tonnes of poultry meat by 10 per cent. this year with a 1980 target of 170,000 tonnes, mostly from the private sector. Fish production levels and targets are almost identical.

Investment

Against a background of draconian cuts in fixed investment for agriculture from £E710m. to £E410m., meat and milk production are targeted to rise little more than 10 per cent. by 1980 from last year's production of 308m. tonnes of meat and 1.7m. tonnes of milk.

Of the £E410m. investment allocation £E258m. will be spent on the costly reclamation sector where returns are low—and £E152m. on other improvements intended to contribute to an income of £E1.662bn. by 1980. Total income is due to rise by £E338m., less than 5 per cent. a year, hence the wry comment from one official: "Agriculture still creates 30 per cent. of national income but it gets only 8 per cent. of the capital budget."

While a vicious circle of foreign currency deficits and reduced investment dampen agricultural growth, there are other constraints besides the fundamental ones of land, water and money. These include inefficient distribution of available capital, inconsistent price and incentive policies for farmers (predominantly private, agriculture is subject to very strong Government direction), poor administration and bad links with the rest of the economy.

In recent years the Government has started to pay farmers more for crops to encourage them to grow what central planners want. But the supply of credits—most farmers finance one crop with co-operative loans tied to end of the reason returns—has been inadequate.

Loans from agricultural credit banks fell 16 per cent. last year. With this in mind a first draft Bill went through the People's Assembly last month to establish a system of village banks to be introduced into the framework of Egypt's 4,000-plus co-operatives. The Agricultural Credit Bank is intended to function as a central bank, while an eventual 3,000 village banks will make and collect loans at local levels.

While successive policymakers — and Egypt has a high turnover in Agriculture Ministers — continue trying to streamline the administration, faults in the system are pushed off stage by the waterlogging syndrome. In the coming five years the Ministry of Agriculture wants to introduce open drains on 1.1m. feddans and covered tile drains on a similar area, while World Bank experts still hope for higher Egyptian Government budgets for a separate soil amelioration programme.

As waterlogging decreases production and remedial drainage puts up costs, these soil improvements have become crucial. One agricultural official commented "Whatever you do for the rest of the agriculture those remedies are valueless if you don't deal with the water tables."

But each year the seriously waterlogged areas are growing. World Bank assisted projects for almost 1m. feddans in Lower Egypt and one third that area in Upper Egypt have fallen behind schedule. A large extension of the World Bank's drainage programme is shortly to be tied up, but an expanded commitment will be an even greater strain on Egypt's money and manpower resources.

In 1974 only 83,000 feddans had new drains compared to the 200,000 feddans a year which need to be drained under current projects. Most disturbing is the possibility that drainage could suffer in the cutbacks being imposed on agriculture in the 1976-80 period, when Egypt, now a net agricultural importer, is spending more in waterlogged areas to produce less.

M.T.

Cotton remains world's best

...TERMS "Egyptian-type" ..."American-type" divide the ...of cotton almost as com...ly as do "Rugger" and ...er" in the world of football. ...imply an even more valid ...e of class distinction. For ...Egyptian variety, grown in ... a few countries, can lay ...able claim to superiority ...he classic textile fibre ...s of length, strength and ...ess, and can substantiate ...claim by reference to the ...rtant matter of price. If ...would wear the best in ...n, then you must turn to ...Egyptian.

...d at the risk of offending ...other producing countries, ...s to be said that judged ...ly as a topic for discussion, Egyptian-types are more ...esting. This is only partly ...ise, as far as the world ...rt market is concerned, ... were first produced in ...tity by Egypt and Peru, ... the seat of an ancient ...sation with a unique ...ultural heritage, and later ...he Sudan, whose relatively ... history is hardly less ...antic. It owes something ... to the fact that the ...ptian types are produced in ...ewildering range of lesser ...eties, all selected for some ...y specific purpose, and that ...e lesser varieties degenerate ... quickly, sometimes within ...ourse of just a few seasons. ... posing the intriguing ...ion of whether the ...icist has in time found a ...y successor.

...mplication

...ere is, too, the further com...tion that since the develop... of the man-made fibres, Egyptian-type cottons have ...ared to be uniquely at risk. American types are, of ...se, also under attack from man-made fibres, but once ... tenacity rayon had ...lanted cotton in the motor tyre cord, and the rayon ... had demonstrated the ...al of the synthetics, ...ptian types appeared in ... of extinction.

... what price level the pro...rs elected to fight this ...e was therefore a matter of ...eme importance, and it ...unds greatly to the credit ...gypt, still the leading pro...r, that its sensitivity to price ...sures has preserved a large ... of the remaining market. ...doxically, at a time when ...kinds of cotton are begin... to benefit from Western ...ty's rediscovery of the ...actions of things natural, ... fear has arisen that Egypt ... has lost heart for the ...

...mediately after World War ...otton in Egypt enjoyed a ...od of great prosperity—at ... for the polyglot trade in ...andria. There, Europeans ...eminently), Americans, ...s and a few fortunate ...ptians squeezed the last ...tre of advantage from a pri... enterprise system which ... scarcely heard of the syn...ic fibre. After the Suez ...acle, nationalisation of the ...e appeared highly probable. ...r the British launched ...dene, it became almost ...itable.

...s the Western market began ... succumb to the synthetics, ... insatiable demand for ...ptian cotton arose in the ...munist world, originally as a collateral for the Aswan High Dam and later as the only form in which payment for arms to fight Israel could be exacted from an impoverished country. Egypt's national marketing agency, the Egyptian Cotton Marketing Organisation, and its six exporting companies exploited this situation to the full.

THE COTTON CROP ('000 bales of 720 lbs)	Production	Exports	Domestic Consumption
1970-71	1,365	929.9	588
1971-72	1,568	904.9	629
1972-73	1,580	932.0	642
1973-74	1,506	800.3	664
1974-75	1,353	637.4	655
1975-76	1,138	300	700
1976-77*	1,250	—	—

* Estimated

The "Western" world of course still needed a certain volume of Egyptian cotton—from what else would an Indian memsahib make her finest sari, or a Swiss his most exquisite shirt? So before each September harvest Egypt set its prices—not too high lest the Western market should shrink still faster, not too low lest the precious convertible currency earnings be too few. It then sought immediate orders from the West, threatening first to raise the price and secondly to commit its entire output to Eastern Europe and Russia unless buyers came obediently to heel. In at least one season she did both.

Throughout the 60s and early 70s, Egypt played this game with consummate skill, rarely misjudging the size of Western needs, seldom failing to obtain the highest possible price, and meanwhile perfecting its contractual arrangements to ensure that cotton sold initially to the East did not find subterranean access to the West and prejudice next season's endeavours. With the Canal still closed and its other produce of little appeal, the nation's wellbeing was quite literally dependent upon the success or failure of these calculations. They were not always helped by the efforts of an inexperienced neighbour to the south.

Deeply immersed in this game, Egypt might have been forgiven for failing to perceive that the rules had dramatically changed in the summer of 1973. The U.S. dollar was no longer a reliable means of price expression. Western appetite for commodities was no longer limited, and price was no longer a limiting factor in a market unable to produce sufficient man-made fibre for its needs.

Incredulity

However, Egypt's initial prices in that year were set so high as to be greeted at first by incredulity and, later by scorn in Western Europe. Yet within hours Japan had made huge inroads into the prospective supply, and European buyers were obliged to indulge in an ignominious scramble. The Eastern bloc was left with just sufficient for its essential needs.

As might be imagined, the foreign exchange earnings from that crop were of unprecedented proportions. It was no fault of the Egyptian Cotton Marketing Organisation that they were asked to cover an unprecedented commitment.

Among Egypt's obvious failures as a fully independent nation has been its inability to find means of controlling the growth of population. Much of its success in other directions has therefore been nullified by increasing total need. Land newly irrigated from the Aswan High Dam has in consequence been drawn into the production of food rather than cotton. Food supplies have still been inadequate, and have therefore needed to be augmented increasingly by imports, all too often obtainable only in convertible currency.

Egypt emerged from the Yom Kippur war to find its efforts scantily rewarded: Currency reserves were depleted and domestic food prices were rising alarmingly. The Government therefore made little effort in the spring of 1974 to prevent the farmer from producing food at the expense of cotton. Sowings of cotton fell sharply, and for the first time export pricing policy was determined not in the light of market factors (which were becoming increasingly adverse as the world recession gathered momentum), but in the knowledge that a certain level of earnings was essential if the food bill was to be met.

The resultant decisions had the predictable consequences. Japanese and West German purchases fell from 174,138 and 33,859 bales respectively to 16,180 and 2,217; Russian and Romanian from 187,500 and 38,000 to 245,819 and 72,600. One can only guess at the domestic repercussions of this setback, but it can scarcely have been totally without significance in the rapprochement with the U.S.

The Canal is of course at last bringing in revenue, and where one once spoke of tens of millions of dollars with reference to aid for Egypt from the Arab members of OPEC, one is now becoming accustomed to hear of billions. In marketing terms too, Egypt has regained her balance. The new Minister for Trade, Mr. Zakaria Tewfik, is the individual who was for so long at the head of the Egyptian cotton general organisation.

Significance

Yet that move alone may in some sense denote the lessening significance of cotton, at least as a raw material, in Egyptian foreign trade. The organisation itself was disbanded in January and its responsibilities assumed by a loose supervisory council over which the Minister presides but which appears to leave fundamental decisions of day-to-day marketing policy largely in the hands of the six individual exporting companies. This is certainly "freer" if not yet "private" enterprise.

The small 1975-76 crop has already been satisfactorily sold, and efforts were indeed made this spring to encourage the farmer to plant his cotton allotment to the full in the promise of a higher purchasing price. World prices are rising rapidly. The Sudan crop has been a failure, and there is no doubt that the Egyptian authorities will make every effort to ensure that as good a crop as possible is harvested on the area sown. But the priorities must surely be changing.

Like many another cotton-producing country, Egypt is pressing ahead with expansion of its textile industry. Its export efforts will of course be assisted by the excellence of the fibre that it spins, and one wonders whether in the mind of the average European the words "Egyptian cotton" will not shortly have a very different connotation.

John Garner
Editor, Cotton Outlook

Tourism a major earner

THE ALLURE OF the Nile, its 5,000-year history, and a warm and sunny climate have combined to make Egypt an important tourist destination, and to make tourism a major source of income. In 1975 nearly 800,000 tourists visited Egypt and spent an estimated £E86.5m. For a country in desperate need of hard currency that is a significant sum.

Although tourism has been growing rapidly, it is restrained by lack of facilities. Getting a hotel room in Cairo is a test of power and status. It is not uncommon for a tourist to arrive at one of the best hotels and find that somehow his reservation has been "lost."

The shortage of hotel rooms is so serious that Egypt is concentrating its 1976 promotion campaign on attracting investors, not tourists.

Egypt has adopted an ambitious plan to build new hotel facilities, largely in partnership with foreign chains, in line with the two-year-old "open door" policy of encouraging foreign investment. By 1980 it hopes to have tripled its hotel capacity and increased tourist revenue to £E240m. The Ministry of Tourism estimates that there is already a demand for hotel rooms twice that which can be accommodated, and that this unsatisfied demand will double by 1980.

Hotels

One short-term step to improve the situation in Cairo is to direct some international flights to Aswan, where the room shortage is not so great. Previously all flights had to land in Cairo. In addition to building new hotels in Cairo, Luxor and Aswan, Egypt is planning to create whole new resort cities. One, near the Giza Pyramids outside Cairo, will eventually have accommodation for 40,000. Construction is scheduled to begin next month.

The concept of a resort city is also to be applied to a whole new area—the Mediterranean coast between Alexandria and Libya, where Egypt claims lie the most beautiful beaches in the world. Another area with tremendous tourism potential is the Red Sea coast, which was a tourist resort area before the 1967 war. Despite the cooling of tensions with Israel, that is still considered a military area and will not be redeveloped for tourism in the near future, officials say.

Even with the space limitations, the number of tourists visiting Egypt has grown steadily over the past 10 years, except for 1967 and 1973, the years of the wars with Israel. Between 1974 and 1975 the number of tourists increased by 17 per cent, from 679,000 to 793,000. However, they stayed an average of two days fewer, meaning that there were 5.85m. "tourist nights" spent in Egypt in 1975 compared with 6.294m. the year before.

Despite the drop in tourist nights tourist income rose from £E63m. to £E86.5m., according to the Ministry of Tourism (though somewhat different figures are supplied by other government sources). The increase is attributed largely to higher prices and a higher quality tourist.

Arab tourists constitute over half those coming to Egypt, particularly in the summer months when the weather is hot in Cairo but much hotter still in Riyadh and the Gulf. For many Arabs, Egypt with its nightclubs, gambling casinos and female companionship is a wonderland forbidden in their own countries.

The Arab tourists, with their oil-money pockets, are particularly sought after by the Egyptians. A special hotel is being built in central Cairo for them. It will have 200 suites, each with its own dining room, for the conservative Moslem women who do not eat in public.

Yet some economic specialists have contended that Arab tourism is a mixed blessing for Egypt. One source says there are 250,000 Arabs living in Cairo. Though counted as tourists, they really live in apartments, the income of which goes into private pockets, not the Treasury. Trading on the black market and living loosely, these "tourists" actually have a negative economic and social effect, it is contended. They occupy living space dearly needed for foreigners involved in outside investment in the country.

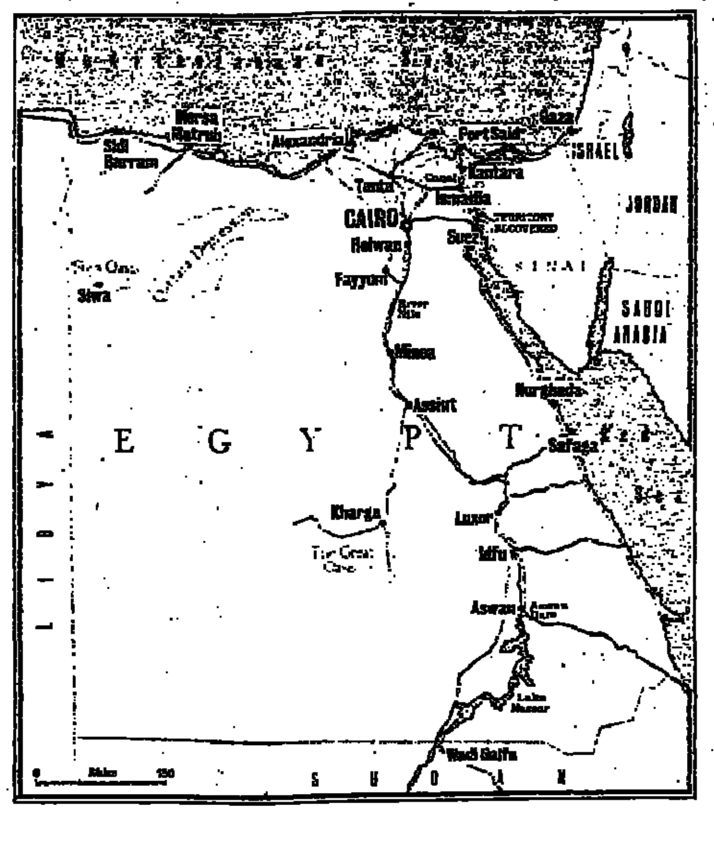
For the first three months of 1976 tourist numbers increased by 35 per cent, according to the Ministry of Tourism, with a total of 1m. forecast for the year if the same trend continues.

Expanded

In Cairo the French hotel, the Meridien, opened a year and a half ago and the Mena House Oberoi was expanded, with further expansion still taking place. In Luxor a new luxury hotel, the Karnak, opened this year with 300 rooms, and another 300 rooms are to be completed next year. The Karnak is a joint venture between Egypt and the French company Wagon Lits. Wagon Lits is also planning a 1,080 bed hotel in the central Tahrir Square.

Already under construction in Cairo is the $35m. Marriott Palace in Zamalek, an island in the Nile in the heart of Cairo. It is being built next to the Omar Khayyam, one of the oldest hotels in Cairo. It will be renovated and become a casino, restaurant and nightclub for the new hotel. Work will take another three years.

The existing Nile Hilton and Sheraton Hotels are both scheduled to be enlarged, and a new Hilton is to be built not far from the present one. Another Hilton is proposed for Port Said on the Suez Canal. The Semiramis Hotel on the Nile is in the process of being demolished, to be replaced by a 840-room Intercontinental at a cost of $40m.



Four floating hotels — elaborate cruise ships — have been commissioned with American Express and Wagon Lits. Presently it is necessary to book a Nile cruise a year in advance.

A resort city near the Pyramids, to be called Pyramids City, is to be constructed by a Hong Kong company, Southern Pacific Properties, in partnership with Egypt. It is reckoned to cost $460m. The first phase, scheduled to be completed in two years, will have 400 hotel rooms, 600 villas and 600 apartments, to be constructed in "classic desert style" around an 18-hole golf course designed by Bobby Trent Jones in the shape of the pharaonic key of life.

Spacious

Within 10 years it is planned to build a total of 1,800 hotel rooms, 5,700 villas and 5,100 apartments, on the basis that tourists want more spacious quarters than a hotel permits. The resort will be in what is now almost untouched desert on the edge of the Nile Delta, just three kilometres from the Pyramids.

Southern Pacific is also negotiating with Egypt to build a resort complex on the same scale on the Mediterranean at Mersa Matruh. The Egyptians are talking with French companies about still another resort city on the Mediterranean.

The completion of these projects will still leave Egypt far short of the facilities it needs to fulfil its 1980 goal of £E240m. in tourist revenues. There does seem to be a large number of foreign investors interested in Egyptian tourism. But little is being done, because the funds are not available, to boost the basic attractiveness of Egypt to the tourist. It is a bewildering place for a newcomer to manage.

Some of its main attractions — the mosques, even the Egyptian Museum — are very poorly maintained, in some cases falling apart. Before Egypt can realize its full potential as a tourist resort a great deal of money will have to be allocated to rebuilding and maintenance.

In a country where every Egyptian pound can be used for a dozen badly needed projects, some economists question the emphasis now being placed on tourism. To what extent, they ask, has Egypt weighed the profit and loss accounts for the tourist programme — the high cost of imports for tourism compared to other industries?

Timothy Phelps

Suez traffic growing fast

PTOLEMY II reopened an ancient silted canal system joining the Red Sea to the Mediterranean in 285 BC. The canal, joining the Bitter Lakes to an eastern branch of the Nile, then caused a boom in the region as Arabian and Persian traders regained access to the Mediterranean. Clysma, as the Greeks called the Suez, prospered and swelled.

Modern Suez, its 150,000 people bustling in the battle-bruised city, is due for a similar expansion in the next few years. Reconstruction plans, well under way since the reopening of the modern Suez Canal a year ago, allow for a vast expansion in industry and jobs tailored to a projected population of 1m. after 25 years.

The Suez expansion, and that of Ismailia, Port Said and the entire region, is focused on the 108-mile waterway. The Suez Canal's impetus relates not just to the economics of $400-500m. in hoped-for tolls this year and the host of canal-related industries. The boost to Egypt is political and psychological as well.

Passage of Israeli bound cargoes is proof of President Sadat's sincerity towards Egypt's agreement with Israel. The opening up of the Suez Canal zone is strategic evidence of Egypt's peaceful intentions. The Canal is also a springboard for the development of long neglected Sinai where the first development feelers are projects for three tunnels under the waterway and reclamation plans in Sinai's north west triangle.

Canal logistics have changed since the 1967 closure. Development of supertankers means that four fifths of the world fleet's tanker tonnage cannot be sent through the Canal. Before closure 70 per cent. of tanker tonnage was made up of vessels smaller than the critical 60,000 tons.

Suez Canal Authority Chairman, Mashour Ahmed Mashour launched into the task of winning back oil traffic. The economics of the shorter journey brought back dry cargo traffic since most dry tonnage was still able to pass through the Canal. Tolls were calculated with an eye fixed on tanker traffic. Work began immediately on a development programme which after seven years will permit passage of 250,000 tonners fully laden—direct competition for the South African route to Europe.

Stage I will be finished in three years. The Japanese Penta-Ocean company started cutting and dredging work in the most difficult section near Suez in February. The Italian Company Vienini is deepening the Suez entrance channel. The contracts for dry excavations are Egyptian, while international tenders for the Bitter Lake work will be decided shortly. In 1979, a 53 foot draft will allow passage to fully laden 150,000 ton vessels and very large crude carriers (VLCCs).

Desert

Long term expansion plans are the subject of two recently completed reports from French and British consultants. Details have not yet been revealed, but the emphasis on oil traffic is considered sound because of the unchanging relationship between Middle East oil producers and European consumers. Authority planners are confident that there will be enough oil traffic both for the expanded Canal and the SUMED pipeline due to be finished this year.

SUMED was conceived in 1968 to offer a cheaper oil route for Mediterranean-bound Gulf crude. Its Ain Sukhna Gulf of Suez terminal is designed for 270,000 ton tankers and the twin 42 inch pipes will pump 80m. tons of crude to Sidi Kreir.

Controversy (at one time SUMED's profitability and effect on Canal revenues were the subject of hot debate) has become muted as the pipeline nears completion. The Arab Pipeline Company (SUMED) predicts that Egypt will net $50m. from its half share in the company and from royalties. While the Suez Canal Authority maintains there is enough oil traffic for everyone, a "son of Sumed" debate is looming in the form of a proposal for a SUMED 2 pipeline from a Saudi backed finance corporation.

Signs that Mr. Mashour's faith in oil traffic may be paying off have been evident in the past three months. A record 200 tankers used the Canal in April, pushing tanker tonnage beyond 5m. Suez Canal net tons. In May this rose to 221 tankers topping 6m. tons. Tankers accounted for 15 per cent. of traffic by number of vessels, but they have taken the prime slice of tonnage since April, more than 40 per cent.—1.4m. tons more than general cargoes in May.

While tankers are turning back to Suez, container vessels, which were not a key factor eight years ago but now account for a critical slice of tonnage, have failed to come. The Suez Canal Authority is maintaining a 10 per cent. surcharge on these ships, which has kept the major container lines away. The container lines say the surcharge is unfair because extra deck cargo is counterbalanced by the cellular vessel structure. Only 37 container ships crossed in May and vessels continue to use the Cape route.

But revenues are rising. Net earnings in the six months of last year were $75m. But daily tonnage is five times that in June 1975 and with May transits averaging 46, first quarter tolls this year topped £E25m. (more than $60m.). Earnings in the first 12 months of operation were almost $230m., suggesting that projected revenues estimated in the State Budget of £E210m. for 1976 are not as over-optimistic as at first sight.

M.T.

(مكتبة الأهرام)

The post of Chief Scientific Adviser disappears this week. **David Fishlock** discusses the implications for Government and science.

Wanted: scientist-at-large in Whitehall

H GRUMBLING has been i in the world of science this week sees the passing feature of government in in which has continued errupted since early this ury. With the retirement r. Robert Press, a deputy tary in the Cabinet Office, Prime Minister loses his personal source of scientific e. He is the last in a long of scientific advisers to Governments that includes is as famous as Lord Cher- Sir Henry Tizard and Lord erman.

a statement last month the nment confirmed what scientific community had suspected—that no new f Scientific Adviser was to ppointed. Instead it pro- s to recruit a top scientist he Central Policy Review the Cabinet Office "think " headed by Sir Kenneth ill). It also proposes to set new committee concerned applied research, under chairmanship of Lord herd as Lord Privy Seal— inister responsible for co- ating scientific advice in rnment—with Sir James ter, research director of Investments, as his deputy. e world of science is not pleased. It sees the changes demotion for science, a of status, for it no longer have the ear of the Prime ster himself. What is more, come at a time when the scientific establishment has ced the White House to rse its decision of three s ago, when it abandoned science secretariat, and to point a Chief Scientific ser to the President.

it the more important tion is whether the quality overnment will suffer. At est the advice of a Chief ntific Adviser can provide bric of fact and fairly dis- lonate analysis into which Government can weave the political factors. Still more important, perhaps, it can expose the pseudo-scientific case too often put forward in justifying expensive projects—most notoriously in the field of defence.

Sir Alan Hodgkin, the Nobel laureate who retired recently as President of the Royal Society—a respected source of scientific advice to government for over 300 years—is in no doubt about the value of such advice. The need for central co-ordination would become acute if the country faced a sudden crisis involving science and technology—"and most crises do"—he warned Fellows in his anniversary address as outgoing president.

Oversold

But the examples Sir Alan offered were less convincing than his own depth of feeling. A Chief Scientific Adviser who could speak on behalf of industrial science and technology might help to reverse the drift of scientists and engineers away from U.K. industry. He could prevent central government from becoming oversold on some new and very expensive technical project, or from "interfering unwisely in the technological side of industry."

"More fancifully," as he put it, the Government might be faced with a major epidemic of rabies and would then have to handle an awkward mixture of science and politics that would not fit easily into a single research council or ministry. Although a Chief Scientific Adviser would probably know little about rabies, he would know his way around Whitehall "and would know how to get the best scientists to work both inside and outside Government."

But would he? Very few scientists ever get to know their way around Whitehall in anything but a highly circumscribed manner. Lork Zuckerman, one of the few, ruffled many feathers both in Whitehall and science for the facility with which he penetrated and influenced the machine. Nevertheless, his advice was appreciated not only by Sir Harold Wilson, who first conferred on him the title of Chief Scientific Adviser, but also by Mr. Heath when he came to office in 1970.

His successor, Sir Alan Cottrell, who retired in 1974, approached the role in a quite different manner. His more academic style was to gather the relevant data and retire to his "ivory tower" to make his analysis. Sir Alan left Whitehall deeply frustrated at his failure to influence the machine on what he sincerely believed were major issues. Indeed, he was palpably more influential in some respects—his 1974 letter on nuclear pressure vessel safety to the *Financial Times*, for example—after retiring from office and returning to Cambridge. This has led some cynics to suggest that the Chief Scientific Adviser should be quite calculatedly a short-term appointment—an idea unlikely to commend itself to Whitehall or government.

But the sad fact remains that during the short tenure of Sir Alan Cottrell the progress made since World War II, notably by Lord Zuckerman, to get science accepted as part of the decision-making process, was partly reversed, at least at the level of Chief Scientific Adviser. One can only speculate upon the influence of such factors as the fortuitous presence of a distinguished scientist Lord Rothschild, as first head of the "think-tank;" the continuing presence of Lord Zuckerman as *eminence grise* in the Cabinet Office; and the appointment of scientific advisers to several Whitehall departments which, hitherto, had employed scientists only at much lower levels.

"It is not the function of scientific advisers in Government to teach their masters about science," Lord Zuckerman has said. "The main contribution scientists can make is to know where to seek advice and when to reject advice."

Luminaries of British science: Lord Zuckerman, Sir Brian Flowers, Sir Alan Cottrell and Dr. Walter Marshall.

Security

At the top this advice has in the past mainly and sometimes almost exclusively been concerned with national security. In the 1970s energy—particularly nuclear energy—began to loom larger. But with eminent scientists at deputy-secretary level in such departments as defence, energy, industry, health, agriculture, etc., the need for independent advice tended to be narrowed to issues involving two or more departments, including international relations in such matters as pollution and nuclear exports.

On the rare occasions when Dr. Robert Press called together the committee of departmental scientific advisers, he would find himself chairman of a group which personally commanded a total research and development budget exceeding £250m. His own resources amounted to a science secretariat of about six.

One way of seeing the role of Chief Scientific Adviser is as a court of appeal for the scientific community, say in the event of "demarcation disputes." Let us suppose that the Departments of Industry and Energy were quite unable to agree which should be supporting long-term research in offshore resources; or that Environment believed that Energy was spending too heavily on research that could increase pollution and too parsimoniously on the "benign and renewable" energy alternatives. Or let us suppose that the scientists believed the Government was calling on them for a disproportionately large contribution towards its cuts in public spending.

In fact, although the overall science budget is certainly no longer growing at the rate it grew in the 1960s, it is still growing. Mr. Fred Mulley, Secretary for Science and Education, disclosed recently that the five research councils which answer to his department would have a budget totalling £260m. this year—2 per cent. higher in real terms than last. As for the 10 per cent. of the budgets of national laboratories which, under Lord Rothschild's famous prescription for control of research, can be dispensed at the director's discretion, this freedom has been described enviously as a "pork barrel run by the pigs."

In the U.S., on the other hand, there is evidence of a genuine threat to the freedom of science in what appears to be direct political interference with the "pork barrel" and the basic freedom to fund research on the scientific merits of the proposals put forward. For the past year or more U.S. politicians—most notoriously Senator William Proxmire with his "golden fleece awards"—have won cheap publicity by ridiculing research projects. One scientist recently bit back with a $8m. suit alleging libel for a Press release from Senator Proxmire that said: "The good doctor has made a fortune from his monkeys and in the process made a monkey out of the American taxpayer."

In another, the so-called "sex-pot" case, first the House of Representatives and then the Senate cancelled funds for an investigation of the effect of marihuana on sexual performance, even though the proposal had twice successfully navigated the scientific review panel.

"Why not a Chief Engineering Adviser?" a well-known U.K. engineer asked recently. Certainly on the evidence presented—including that of Sir Alan Hodgkin—a Chief Engineering Adviser would be more relevant to the U.K.'s problems; although few would bet on the chances of agreement between the engineering institution as to which type of engineer should fulfil the role.

But one basic problem remains, no matter whether the adviser is technologist or scientist (or which kind of scientist—a zoologist like Lord Zuckerman or a metallurgist like Sir Alan Cottrell). That problem is where to recruit the man who will be more than just a figurehead for science—which some suspect is what the scientific community wants first and foremost—but will penetrate and influence Whitehall, yet will retain his credibility as a dispassionate source of scientific advice.

Out of favour

There may be no more than half-a-dozen prospective candidates in the country. Sir Brian Flowers, chairman of the Royal Commission on Environmental Pollution, is one but appears to be out of favour with Government for his somewhat flamboyant attempts to tender advice in areas—such as the fast reactor and radiation—in which they believe they are already adequately advised. Another is Dr. Walter Marshall, chief scientist at the Department of Energy, although at 43 he may not yet have won either the confidence of the scientific community or the experience of Whitehall. Older men who have both attributes include Lord Rothschild and Sir Frederick Dainton, chairman of the University Grants Commission. Before it attempts to criticise the Government's rather clumsy re-arrangements in replacing the Chief Scientific Adviser—as it surely will do at its hearings next week—the Parliamentary Select Committee on Science and Technology needs first to be clear what it expects from the post, and who it believes might successfully fill it.

Letters to the Editor

ccupational nsions

n Mr. L. Cleminson.

r.—I hope that all employers employees who have /or are members of occu- ion pension schemes will sider the proposed legisla- and make clear representa- s, before it is too late, for r views to influence matters. e following points, in addition your editorial and pension espondent's comments (June should feature in the con- rations.

here are many pension trus- companies which hold and inister a variety of pension mes under individual trusts. se may cover employees of rate and distinct and un- ped employers. In this case, es unions of one may have elevance to the others. The es of a trustee are already defined in statute and com- law. No trustee, as such, can resent" a portion of bene- ries, but most impartially inister the trust, as laid down he deed (including rules) for f them. The trustee is not position of benefits negotia- nor can he, he is there to inister the trust. Pensions other deferred or contingent efits are now generally re- led, by both unions and em- ers, as part of the pay cage and, as such, appropriate be regular wage bargaining otiations on which recognised les unions already have legal ts. The pension trustee is as such, on these negotiating ies.

here is certainly no reason to but rather to encourage loyee participation, at all ls, provided that at the trus- level they know and accept constraints and duties of artial trusteeship. Participa- should preferably be by loyee members of the scheme cerned rather than nominees an outside body.

submit, it is the trustees' ponsibility to communicate ctly with the beneficiaries, not vicariously through an side body. Such body might l "advise" a members' com- tee, however. I certainly look much greater participation the future, but not on the is outlined in the White Paper ch I regard as pernicious.

P. Cleminson,
ministration, Industrial and nagement Services.
St. Swithin's Lane, E.C.4.

utting public xpenditure

m Mr. B. Kilroy.

ir,—With such an unlikely get as cutting public expendi- e on housing by more than a rd immediately, it is not sur- sing that Mr. Rogaly's June 15 ture: "Housing: how to save 5bn. *next year* (my italics) is very sure-footed in its alysis.

Mr. Rogaly is incorrect in ribing blame to the Labour ministration for increasing housing public expenditure als by £1.5bn.—just as Labour itself incorrect in claiming dit for the increase on the ounds that it reflects the ority given to housing. Accord- to the distinction in the PE ite Papers themselves, only ween a fifth and a quarter of 1974-75 increase was due to olicy changes," the lion's are being due to "other" economic changes (notably inflation of course). Indeed these other changes arose from, for instance, subsidy commitments undertaken by the previous Conservative administration and would almost certainly have been incurred whichever party had been in power.

In attempting to save £350m. by "putting council house sales back to 1973 levels" Mr. Rogaly has forgotten that the net saving from sales is negligible, whatever their other merits, because most sales (say four-fifths) have to be refinanced on council mortgages—thus making little appreciable difference to the overall total of public expenditure on housing. It is difficult to take at its face value Mr. Rogaly's suggestion of "stopping building new council houses" (1976-77 value £1.5bn.) at a time of chronic unemployment in the building industry and slack in the economy even if it were physically possible to stop two/three/five year contracts "next year," that is in mid-stream.

On housing subsidies Mr. Rogaly missed the opportunity to expose a serious dilemma. He is correct in showing that the Exchequer (whether Conservative or Labour would have made little difference) has been locked into a virtually open-ended commitment to subsidise inflation—but he did not say that this embarrassment has happened to a similar extent in *both* the council and the owner-occupied sectors. The total housing subsidy bill in both these sectors alone will have grown this year to some £2.2bn. or the equivalent of some 13 per cent. of all income tax revenue. If the recommendations of the all-party Commons Expenditure Committee report on public expenditure are are accepted: both these types of subsidy will in future be shown in PE figures, so making comparisons easier. Mr. Rogaly might have made clear just how it will be electorally possible to make economies in both these subsidies—for that is still cluding all three main political parties.

Bernard Kilroy.
104, Princes House,
Kensington Park Road, W 11.

Measurement of productivity

From Mr. C. Morton.

Sir,—I would agree with Mr. K. Swann (June 24) on the problems of measuring productivity, even within one apparently homogeneous industry and would like to illustrate the point.

Seven years ago I conducted a productivity evaluation of various plants. The survey revealed where corrective action was desirable, yet it failed to provide a fully satisfactory productivity yardstick.

The "value added" criteria made sense—when comparing similar activities between two sites, where one purchased more parts, whilst the other produced in-house—only if one took full and even adjusted account of plant costs. In another instance, a very substantial portion of the "added value" was created by design engineers, thus again distorting the picture, particularly if the "learning process" for a project took place in an earlier period. I could give further examples, influenced by the state of demand, but it was never possible to quote a truly meaningful figure for various ratios/values, without some qualification.

I would therefore suggest that the best indicator for efficiency is still the surplus—after all costs and provisions have been allowed for—which used to be called profit, before that term fell into disrepute. All other indicators are no more than guides and if one attempts to use these in an ultra-sophisticated manner the results are frankly misleading.

C. P. Morton Associates,
142, Arkwrights,
Harlow, Essex.

Life assurance commission

From Mr. A. Le Blanc.

Sir,—I read with considerable interest the letter from Mr. E. D. Sarra that appeared on June 17. It does seem to me that the initial decision of the Life Offices Association to alter the commission structure did not take into account the possible repercussions to employment in the life *assurance broking* industry. There are many small brokers up and down the country who do not belong to any insurance broking organisation, mainly because these organisations have tended to be more representative of motor and general insurance brokers. The Life Offices Association has accepted the views of these broking organisations, the majority of whose members have no real interest in life assurance at all.

There is no doubt in my mind that it will be increasingly difficult for a member of the public who requires professional representation to find it if premium related commission comes into force. This could mean that the young man with slender resources will have to rely upon advice from a representative of one of the life offices which could never be classed as impartial and this could well result in a lot more peope being sold unsatisfactory policies due to the fact that the representatives have substantial new business targets to meet.

It seems to me that the main reason why the Life Offices Association started to think of a different basis was due to the fact that a few "fringe brokers" have been selling the wrong type of life assurance contract to the wrong type of person. Surely the answer here is that all the insurance companies should be more selective over who they grant agencies to instead of setting their representatives further annual targets for the appointment of new agents. If you try to empty a barrel completely you are bound to end up with some dregs.

My own suggestion is that the Life Offices Association leaves well alone and keeps its overall commission bill on the present basis instead of coming up with a scheme that is allegedly going to cost them more to the detriment of not only the life assurance broking industry, but to the general public as well.

Anthony Le Blanc and Partners,
52, High Street,
Knaphill, Woking, Surrey.

Metrication muddle

From Mr. P. Hill

Sir,—The recent letters criticising metrication reveal an interesting attitude, though not a new one for us. It is that, in Britain, wealth-creation still rates a low priority. If not, we should be doing our utmost to help our industries to compete in the world by not retaining a mixture of our quaint units and the more rational SI units in the home market. Australia, Canada, South Africa—all managed to make the change expeditiously, so we cannot justify the delay and consequent muddle here just by being English-speaking.

A parallel case is that of right-hand driving on roads: Sweden has the most prosperous car manufacturing company in Europe, and Sweden changed to right-hand driving in a week-end. Such a change, it seems, is quite beyond us.

Decimal currency is not a good basis for arguments about metrication, since everybody realises now—as most did at the time—that retention of the sacred £ to please the City was folly; and anyway, decimal currency was not concerned with measures, as metrication is.

If Joe Rogaly's reasonable statement (June 15) is a sound one, where have your correspondents on the subject gone wrong? Country clergymen may cling to the cubit, the horse-racing fraternity to the hand, and regular boozers to the pint (though they probably need a litre of to-day's beer to get the same effect); but the ordinary shoppers like myself—and I meet many—are all saying that the present muddle is intolerable and decisive action is overdue.

The Scottish housewives (June 23) had better learn that they will not need a wide range of spanners in future, when doing their mechanical repairs, unless they succeed in delaying the metric change; and that metrication is about measures, not counting, so it has nothing to do with packing in dozens.

One echo from the earlier discussions about decimal currency is relevant. It is the question one old lady is said to have asked at that time: "Why couldn't they have waited until all the old people had died?" We have trained a generation of young people in SI units, and now they are having to learn Imperial at work (if they find work in our stagnant society) from their ossified elders. It is not bureaucracy we have to fear in this instance, but gerontocracy.

Peter Hill
"Adlestrop," 61, Church Street,
Evesham, Worcs.

Historic houses

From Mr. G. Levy

Sir,—Mr. Hugh Leggatt's timely warning (June 24) of the hideous dangers facing our historic houses if the Treasury insist in this year's Finance Bill that maintenance funds can only be exempted from Capital Transfer Tax if they are renounced irrevocably by the settlors underlines the shocking, short-sighted and philistine attitude of the present administration. Is there not some body or other concerned with our historic houses and their problems who will make some public statement without a moment's delay in support of Mr. Leggatt's stand?

George J. Levy,
H. Blairman and Sons,
119, Mount Street, W.1.

To-day's Events

GENERAL

Second day of economic summit meeting of seven nations in Puerto Rico.

Seychelles becomes independent as a republic in the Commonwealth.

Mr. Pierre Lardinois, European Common Market Farm Commissioner, visiting draught-striken areas of France at the invitation of the French Government.

White Fish Authority annual report.

Sir Lindsay Ring, Lord Mayor of London, attends luncheon with president and committee of the Overseas Bankers' Club, 7, Lothbury, E.C.2.

Greater London Council general purposes committee meets, County Hall, S.E.1.

Mrs. James Callaghan and Mrs. Anne Armstrong, U.S. Ambassador, formally open U.S. Furniture and Furnishings Exhibition, U.S. Trade Center, W.1.

Financial Times three-day conference "Asian Business Briefing" opens in Bangkok, Tailand.

PARLIAMENTARY BUSINESS

House of Commons: Emergency debate on leak of confidential Cabinet papers. Debate on child benefits. Motions on the Iron Casting Industry (Scientific Research Levy) (Amendment) Order and the Horticulture Capital Grant (Variation) Scheme.

House of Lords: Lotteries and Amusments Bill (Consolidation) third reading. Explosives (Age of Purchase) Bill, third reading. Weights and Measures (No. 2) Bill, committee. Food and Drugs (Control of Food Premises) Bill, committee. National Health Service (Vocational Training) Bill, committee.

COMPANY RESULTS

Allied Retailers (full year). J. B. Eastwood (full year). SGB Group (half-year).

COMPANY MEETINGS

See Week's Financial Dairy on Page 30.

CITY LUNCHTIME MUSIC

Piano recital by Yitkin Seow, St. Lawrence Jewry next Guildhall, Gresham Street, E.C.2, 1 p.m. Organ recital by Marcus Sealy, St. Michael Cornhill, 1 p.m. Recorded music, All Hallows by the Tower, 1 p.m. Recorded music St. Mary-le-Bow, Cheapside, E.C., 1.05 p.m.

COMPANY NEWS

Norcros profits over £2m. ahead at £12m.

REFLECTING an upsurge in the second half, profits of the industrial group **Norcros** rose almost £2.2m. to £12.08m. in the year ended March 31, 1976. The second half produced £7.38m., compared with £5.58m. in the corresponding period of the previous year.

Group sales advanced by £23m. to £155.91m., with a big percentage increase coming from overseas. Earnings are shown at 11.02p (9.83p) per 25p share, and the final dividend is the promised 2.1p for a 3.6p net total on capital increased by the August rights issue, against 3p. The rights and a debenture stock placing raised some £9.37m.

The group's activities cover construction (Crittall windows, double glazing, cavity wall insulation, etc.), consumer (Hygena and White Space furniture products), engineering and printing and packaging.

	1975-76 £000	1974-75 £000
Group sales	155,910	132,742
United Kingdom	116,742	105,310
Exports U.K.	10,252	8,587
Overseas	15,420	9,450
Associates	11,406	9,195
Trading surplus	15,512	11,731
Associates	1,319	1,202
Investment income	651	271
Interest payable	3,429	3,318
Profit before tax	12,074	9,886
Taxation	5,701	4,960
Pre-acquis. losses	12	
Minority	726	715
Preference divs.	119	103
Ordinary earnings	5,556	4,502
Extraord. debits	28	317
Dividend	1,961	[illegible]
Re-invested	3,565	2,305

* Credits.

Group resources at end-March totalled £83.12m. against £51.09m. a year earlier. Ordinary capital and reserves were £28.6m. (£20.74m.), loan capital £21.58m. (£19.32m.) and net current assets £29.4m. (£18.79m.).

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Leaderflush	nil	—	0.34	0.32	0.34
Norcross	2.1	Aug. 3	2.0	3.6*	3.0
Somic	1.32	Aug. 19	1.16	2.11	1.94

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Leaderflush net loss £57,000

After exceptional and extraordinary items, and tax, **Leaderflush (Doors)** has incurred a net loss of £57,301 in 1975, compared with £4,466. Exceptional charges include a £10,000 payment on the termination of the directorship of Mr. W. H. Reeves.

Profit before tax and extraordinary items was £2,394 (loss £33,966). Earnings are given as 0.04p (deficit 0.22p); there is no final dividend, leaving the 0.325p net interim as the year's total (0.335p).

Looking ahead, chairman Mr. G. Simon says the company is poised for modest expansion. The upward trend in door production, which continued in the second half of last year, has carried into 1976.

So far as the acquisitions of W. H. Reeves (Timber) and W. H. Reeves (Office Furniture) are concerned, Mr. Simon says it would be inappropriate to go into greater detail at this stage because of the proceedings pending against Mr. Reeves.

As a measure of prudence, the Board has made full provision in the accounts against all trading and advances in the course of operating the Pontefract factory. It believes the factory will be making a useful contribution to profits by the end of the year.

GEI is strongly placed

ORDERS ARE improving and capital expenditure programmes are on target, says Mr. Thomas Kenny, chairman of GEI International.

GEI is an expanding engineering group supplying specialised products to a wide range of industries. As announced on June 9 pre-tax profits for the year to March 31, 1976, rose from £2,304,000 to a record £3,028,000. Profit margins improved, and for every £100 of sales the group earned £9.40p (£8.70p).

The record results include £592,000 profit from Tobenoil, acquired in September 1975. The Tobenoil companies are full of growth and profit potential in the U.K. and overseas.

He points out that the reticence of businessmen in the present climate to borrow and invest is due to the problem of profitability. Any new venture should earn at least 20 per cent. on the money employed. The cost of term money will be at least 14 per cent., leaving 6 per cent. for profit of which the Government takes a half. "Plainly a reward of 3 per cent. does not justify risks, and there are few industrial projects without a risk element."

An analysis of profit shows (£'000s omitted): Midland Steel product division £1,266 (£1,004); Midland Bright division £888 (£973); special products £361 (£608); packaging machinery £592 (nil).

Group exports, including sales to overseas subsidiaries, were £3.67m. (£3.08m.) comprising, in percentages, Africa 14; Americas 14; Asia 3; Australasia 5; Europe 60; Middle East 4.

Meeting, Dorchester Hotel, W., July 21, noon.

Difficult time for Hunting Gibson

Although a policy of diversification has been pursued by **Hunting Gibson** the company remains basically tied to the shipping industry which is passing through its worst post-war cycle, says the chairman, Mr. L. C. Hunting.

It is almost certain that over the next year or so the shipowning activities will be making trading losses. But in 1976 they will be effectively reduced by the recent sale of Avonfield.

Broking, painting contracting and various interests in the oil business should remain profitable, if not buoyant, but Mr. Hunting stresses that the short-term future is going to be difficult.

As reported on June 9 group pre-tax profit decreased from £3.42m. to £2.01m. in 1975.

It was felt that the unrealised increase in liabilities resulting from the sterling representation of a dollar loan should not be written off in one year. Efforts have been made to match dollar loans with earnings potential and the directors therefore expect that an increase in liabilities will be matched in future by increased earnings in sterling terms.

Meeting 118-127 Park Lane, W., July 22 at 12.30 p.m.

Country and New Town rent growth

GROUP RENTAL income of **Country and New Town Properties** is now running at a rate of £2.04m. per annum against £1,587,000 for the year ended January 31, 1976, and £1,183,000 for 1974/75.

On rental income, overseas subsidiaries are now contributing three-quarters of the total figure and producing an estimated annual profit of around £400,000.

Chairman, Mr. G. M. Newton, says while economic conditions at home are uncertain, strength and potential lies in the overseas subsidiaries which are well spread and account for over 50 per cent. of our property portfolio. For this reason alone "I hope to be able to report favourably on the current year," he declares.

The investment in Commonwealth Realty Trust in the U.S. continues to prosper and the outstanding commitment for a further 50,000 shares at a beneficial price has been taken up ahead of time.

Consideration will be given during the current year to the financial structure of the overseas companies where the company is benefiting from rental indexation. Cash resources are generally strong. Furthermore, planning permission has been received in Vancouver for a 30-storey joint-development of 248,000 square feet lettable space.

In the U.K., the portfolio continues to provide a trouble-free and improving revenue. Since the year end, disposals of £0.7m. in the U.K. have been completed.

Commenting on the implications of the Covent Garden market withdrawal, Mr. Newton says it is now clear that there can be no major development for a few years, and it is intended during 1976 to restructure this portfolio of properties.

More recently the directors have concentrated efforts upon the Civil Service Stores—the main retail outlet. A study group report on the store has been commissioned and its recommendations are expected to include substantial modernisation, aimed at realigning trading requirements to meet current market needs.

As reported on July 19 group pre-tax profit for the past year was £516,984 (£524,043 plus £145,332 exceptional items) and the dividend is 0.65p net (same).

Meeting 6-11 Agar Street, W.C., August 2, noon.

Readicut in excellent shape

WITH THE Group in "excellent sharpe" and confident that it will benefit from the expected upturn in world trade, Mr. F. A. Newhouse, chairman of **Readicut International**, says capital expenditure of about £2m. is being considered in addition to providing further working capital during the current year.

This follows the spending of £1.8m. during the year to March 31, 1976 and is based on the view that eventually Government will have to remove disincentives.

All undertakings have been examined to reduce the considerable increase in costs and expenses and to improve efficiency and profitability.

The directors are constantly exploring avenues for profitable growth provided they do not clash with the group's main interests.

As reported on May 20 group pre-tax profit increased from £4,146,308 to a record £5,599,844 for 1975-76, and the dividend is raised from 1.04138p to 1.13513p net.

The newly-acquired Plasticisers Group should strengthen further the product diversification within the group and provide additional growth prospects. It is expected to make a useful contribution to profit in the current year.

In textiles an increase in profit is expected. It is possible that trading in yarns manufacturing will be more difficult but prospects for exports are good and management is making efforts to increase the division's share of the market for wool yarns.

The carpets manufacturing division should at least maintain the past year's level of profit.

Prospects for other manufacturing divisions are bright with each company expecting at least to maintain the 1975/76 profit levels and with some confident of obtaining satisfactory increases.

Advance by Continental & Industrial

For the year to May 31, 1976, pre-tax revenue of **Continental and Industrial Trust** was £1.48m. against £1.31m.

Dividends totalled 5p net (4.5p), with a final of 3.4p (2.9p). Earnings per 25p share rose from 4.68p to 5.12p while net assets per Ordinary stood at 219.7p against 193.3p, including 31.2p (41.2p) in respect of the full investment currency premium.

	1975-76 £	1974-75 £
Gross revenue	1,574,768	1,697,291
Expenses	92,300	79,178
Interest	41,573	304,788
Net pre-tax revenue	1,480,893	1,313,325
Tax	571,162	461,575
Pref. div.	28,300	28,300
Balance	887,231	793,250
Total net assets	44,125,000	25,906,000

CHLORIDE GROUP

Chloride Group has issued a further 9,565 Ordinary 25p shares following the settlement of a claim which was outstanding against **Industrial Instruments**, whose capital Chloride acquired in April.

UDS now showing revival signs

WITH THE exception of men's tailoring, the second quarter of the current year of UDS Group is showing an improving trend, reports the chairman Mr. S. Lyons. The first quarter sales had been disappointing compared with the generally more buoyant conditions and the exceptionally high sales generated last year by pre-VAT buying.

However, he cannot forecast accurately the year's results but is in no doubt the Group is ready to take full advantage of any general improvement in trading conditions. As an investment in the future, the directors continue to expand selling outlets whenever suitable opportunities arise.

In the year ended January 31, 1976, the menswear multiple chains suffered a severe drop in demand, which led to the closure of two of the seven factories with all the attendant costs involved. In several of the other businesses, lower margins and the continued increase in operating expenses adversely affected the performance. As reported on May 22 profit before tax fell by £7.55m. to £18.15m. on a turnover of £273.38m. (£246.81m.). The dividend is 4.8p (4.6912p).

Results absorbed fully the closure of Biberhaus, one of the German interests. There was a £3.64m. net extraordinary write off and a loss of £364,000. Such losses will not recur; and some £3m. of capital has been released by the sale of the 80 per cent. equity interest in Telstar Colour-Vision.

The proposed EEC recommendations have been anticipated by eliminating the £28m. goodwill from the balance sheet. Provision has also been made for the potential increased cost of repaying a Swiss Franc loan.

Meeting, 22, Arlington Street, S.W., July 27, 12.30.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's time-table.

TO-DAY

Interims:—Crookle, Greenfield Millets, A. E. Jenks and Cattell, SGB.

Finals:—Allied Colloids, Allied Retailers, Anglo-American Asphalt, Bishop's Stores, J. B. Eastwood, Eucalyptus Pulp Mills, May and Hassell, Robert Moss, Ropner Holdings, Stanhope General Investments, Ultra Electronic, Vaux Breweries.

FUTURE DATES

Interims:—	
Gillett Bros. Discount	July 28
Gough Cooper	July 6
M. and G. Dual Trust	June 30
Mercantile Investment Trust	Aug. 17
Winterbottom Trust	July 6
Finals:—	
Associated Newspapers	July 8
General Electric	June 30
Halma	June 30
Ingram (Harold)	July 19
Lamont	June 30
Morgan Grampian	June 29
Rothmans International	July 7
Tex Abrasives	July 6
Wood (S. W.)	July 7
Wyndham Engineering	July 21

Profit rise from Somic

AN INCREASE in profit from £147,087 to £164,227 for the year ended March 31, 1976 is reported by Somic, kraft paper spinners and weavers. The dividend is stepped up from 1.9433p to 2.1117p net, with a final of 1.3242p, from earnings of 3.773p (3.317p).

Turnover rose £90,000 to £1.47m. After tax £88,771 (£80,737) net profit came out at £75,456 (£66,350).

BIDS AND DEALS

Plessey's U.S. talks off

Discussions about a possible link-up between PLESSEY, the electronics and telecommunications group, and **Edo Corporation**, a U.S. electronics company, have been terminated. A statement said that, after several weeks of talks, "neither company sees the scope or opportunity for any merger of interest."

EDO had sales last year of $54m. (£30m.). The company produces sonar and other instrumentation equipment for aviation and marine use, and about half its output is thought to be for defence purposes.

WAITE SPELLS OUT ACCEPTANCE

The deputy chairman of Waite and Son, Mr. N. A. Samuelson, has written to shareholders to explain why the Board and its financial advisers, Henry Ansbacher, are recommending the 90p a share cash offer from Fairzone—a company formed for the purpose by Mr. G. R. Jarvis, chairman of Waite and Son which closes on July 21.

Mr. Samuelson writes that a number of approaches have been received in the past but "it was apparent that none of these parties showed any interest in the actual business of your company"—a reference that would presumably include the approach made by the tiny Meru Group in April whose offer was conditional on the sale of Waite's manufacturing business.

The directors (including Mr. Jarvis) and their families intend to accept in respect of their 5.53 per cent. holding. The offer document from Fairzone shows that unaudited earnings per share of Waite and Son for 1975 were 7.10p (7.93p) and net asset value 91½p, including an up-to-date property valuation by Cluttons.

In order to facilitate the offer, the Board of Fairzone is also proposing to reorganise the capital by converting the existing 3.24m 10p shares into deferred shares and making a rights issue of 3.24m. shares of 1p each. The offer is then either 90p in cash for each Ordinary share or 1p in cash for each deferred share in Waite and 89p in cash for each new 1p share.

The deferred shares will lose all rights to dividends or votes and to the extent that they will only participate in a return of capital on a liquidation or return of capital after Ordinary holders have received £100 per share, are valueless.

If the Fairzone offer lapses, or if on the offer becoming unconditional it is unable to acquire the outstanding minority, an application will be made to the Stock Exchange to list the new Ordinary shares. However, Fairzone points out that it does not intend to pay any future dividends on the Ordinary retained in Waite's and may subsequently apply for a cancellation of listing.

ISSUE NEWS

William Leech £3m share offer

J. Henry Schroder Wagg has arranged an offer for sale of 4.7m. Ordinary 20p shares in William Leech (Builders) at 84p each.

William Leech is a housebuilder, based in Newcastle, which undertakes building for local authorities as well as for the private market. In the year to the end of February 1976 the group constructed a total of 2,069 units, of which 309 were for the public sector and currently local authority work is at the rate of 500 units per annum.

Turnover in the five years since February 1972 has increased from £8.19m. to £17.1m. last year, and in that time pre-tax profits have risen from £998,000 to £2.6m., after a setback to £2.1m. in 1974-75.

Leech owns or has available an aggregate of just under 1,400 acres of housebuilding land, estimated to be sufficient for the construction of 12,468 housing units. Of this land 486.5 acres are subject to agreements with William Leech (Investments), a property investment company owned by five charities.

In addition to the housebuilding land, the group owns or has contractual interests in a further 3,944.9 acres for which no planning permission has yet been obtained. Of this, 2,696 acres have been acquired since the end of February.

It is not intended to buy any further land from Leech Investments.

With regard to the Community Land Act and Development Land Bill, the company believes that their effect will be small over the next four years, because of the total of 1,399.6 acres, development has already started on 867.3 acres and a further 357.2 acres qualify for exemption. In the longer t[erm] it is expected that if the Act [and] the Bill continue in their pre[sent] form for the most part the gr[oup] will be erecting private hou[ses] on land acquired from the l[ocal] authority, and profits will [...] be made on its building op[era]tions.

However, the group is not [pes]simistic as in the last two y[ears] its profits have not been de[pen]dent upon increases in [land] values.

Leech is forecasting a total [divi]dend of 5p per share net. On [the] basis of last year's profits, [the] dividend is covered 2.08 time[s].

There is no profits forecast, [but] currently reservations for hou[sing] units are running 11 per c[ent.] higher than last year.

Brokers to the issue are R[...] and Pitman, Hurst-Brown [...] Wise Speke. Dealings will star[t] July 7.

Prospectus pages 31-33

ARAN ENERGY

Aran Energy announces allotment under the terms of prospectus of 3,507,000 shares £1.25 per share (30p pa[id]) amounting to £4,383,750 at full subscription price.

Net proceeds will there[fore] exceed the £4,037,000 estimated [for] Aran to be required to meet [its] full proportion of the explora[tion] programme of the Aran BP [...] Amoco consortia and the cost [of] developing its supply and se[rvice] activities.

Accordingly it has not b[een] necessary to implement [the] underwriting arrangements.

Drilling of the first well [in] Block 36/26 should start with[in a] few days.

Objection to Grendon proposals

Mr. David Moate, a chartered accountant with a £21,000 interest in the loan stock of Grendon Trust, is asking his fellow loan stock holders to reject proposals under which they are being asked to accept £40 for every £100 nominal held.

Mr. Moate claims that since Keyser Ullmann controls the Grendon equity "any loss which we, as one class of creditors, agree or are forced to suffer is an equivalent of betterment to the position of Keyser Ullmann and its shareholders." He states that according to Grendon's d[...] accounts the equity interes[t is] worth £2.9m. but if the [...] redemption proposals go thro[ugh] it will increase to just over [...].

Grendon has warned that [the] alternative to redemption [is] liquidation and according to calculations of Turquands Ba[rton] Mayhew this would leave [...] stock-holders with about £35 [per] £100.

"Personally I consider [the] whole affair financially unwho[le]some and that the compa[ny] should be put into liquidat[ion] if we are not properly treate[d]," adds Mr. Moate.

Two merchant banks, Morg[an] Grenfell and Robert Flemin[g] representing holders of 37 p[er] cent. of the loan stock have n[ow] agreed to the redemption pr[o]posals.

[...]ending dividends [...]metable

[...] the convenience of readers the dates when some of the [...]portant company dividend statements may be expected in [...]t few weeks are given in the following table. The dates are those of last year's announcements, except where the [...]ing Board meetings (indicated thus *) have been officially [...]ed. It should be emphasised that the dividends to be [...]d will not necessarily be at the amounts or rates per cent. [...]n the column headed "Announcement last year." Preliminary [...]gures usually accompany final dividend announcements

	Date	Announcement last year
[...]l.	July 2	Final 9.2%
[...]scount	July 8	Int. 5.4%
[...] Props.	July 29	Int. 4.6%
[...]papers	July 8	Final 17.3%
[...] Bank	July 31	Int. 6.8%
[...] Geo.	June 30	Final 21%
[...]ortland	July 30	Int. 6.1%
[...]	Aug. 1	Int. 3.8%
[...]s.	June 30	Final 5.7%
[...]zaar	July 1	Int. 6.5%
[...]evert [...] Kent	June 29	Final due
[...]all & [...] Trust	July 10	Final 19.4%
[...]tnl.	July 16	Final 23.2%
[...]	July 17	Final 19.35%
[...]	July 22	Final 2.44p
[...]	July 29	Final 9.3%
[...]vell	July 31	Final 15%
[...]	July 15	Sec. int. 15.4%
[...]ctric	June 29	Final 9.4%
[...]r	July 24	Int. 9.6%
[...]ros. [...]iscount	July 28	Int. 7½%
[...]	June 30	Int. 5%
[...]	July 17	Final 20.8%
[...] Co. [...]ishers	May 20	Final 10.2%
[...]re [...]states	July 13	Final 25.3%
[...]rth [...]Morris	July 22	Final 4.1%

	Date	Announcement last year
*Imperial Group	July 8	Int. 10.5%
Inchcape	July 24	Final 5.5%
Jamal Timber	July 9	Final 18%
Inveresk	July 22	Int. 3.8%
Keyser Ullmann	July 16	Final nil
Lloyds Bank	July 25	Int. 5.2%
Midland Bank	July 25	Int. 6.5%
Natnl. Westmnstr. Bank	July 22	Int. 6.6%
Norcros	June 16	Final 12.3%
Prestige	July 3	Int. 8.6%
Rank Organisation	July 22	Int. 13.5%
*Redland	July 8	Final 11.2%
*Rothmans Intl.	July 7	Final 12%
Rothschild Inv. Trust	July 14	Final 10.5%
*Scot. & Newcastle Brews	July 17	Final 12.0%
*SGB	June 28	Int. 12.3%
*Standard Chartered Bk.	June 29	Final 10.5%
*Stenhouse	July 16	Int. 5.5%
Stock Conversion	July 7	Final 8.7%
Taylor Woodrow	July 22	Int. 8.1%
Thorn Elec.	July 14	Final 22.15%
Unigate	July 23	Final 8.5%
*Union Discount	July 21	Int. 10.8%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

[...]cal Authority Investments

[...]AUTHORITY loan rates [...]enerally firmer last week. [...]rm credit was in short [...] overall in the London [...]market and interest rates [...]er sectors also tended to [...]e. Three-month deposit [...]nded at 11⅜-11⅝ per cent., [...]ed with 11-11⅛ per cent. on [...]evious Friday, but longer [...]ortgage rates were farily [...]

The gilt-edged market was generally firm, with interest shown in the new long "tap" stock. The Financial Times Government Securities Index finished at 62.65 compared with 62.55 at the end of the previous week.

One-year local authority bonds were placed during the week at par, with a coupon of 11⅞ per cent., unchanged from the previous week's batch.

* Rate (%) June 25, 1976	
[...] notice (deposit receipt)	11⅞ —11⅝
[...] notice (deposit receipt)	11⅛ —11⅝
[...] notice after one month (deposit receipt)	11¼ —11½
[...] notice after three months (deposit receipt)	11½ —11⅞
[...] notice after six months (deposit receipt)	11¾ —11⅞
[...]ge at one month's mutual notice after 11 months	11⅞ —12
[...]ge at one month's lender notice after 11 months	
[...]inal terms 2-5 years	n.a.
[...]s' mortgage	12¾ —12⅞†
[...]s' mortgage	13 —13¼†
[...]s' mortgage	13⅛ —13⅜†
[...]s' mortgage	13⅜ —13⅝†
[...]ars' mortgage	n.a.
[...]ars' mortgage	n.a.

[...]ates are for sums not less than £20,000 and are subject to [...]ariation and fluctuation. † Nominal. ‡ Shorter periods may [...] higher rates than longer. n.a. Not available.

[...]blic Works Loan Board rates

Effective from June 12, 1976

[...]ears	Quota loans repaid by EIP†	Quota loans repaid by ER‡	Quota loans repaid at maturity	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid by ER‡	Non-quota loans A* repaid at maturity
[...]5	11⅞	11⅞	11⅞	13¼	13⅜	13⅝
[...], up to 10	11⅞	12⅛	13⅝	13⅝	13⅞	14⅛
[...]0, up to 15	13⅛	13⅝	14⅛	13⅞	14⅛	14⅜
[...]5, up to 25	13⅞	14⅛	14⅜	14⅜	14⅜	14⅞
[...]25	14⅛	14⅜	14½	14⅝	14⅞	15

[...]quota loans B are 1 per cent. higher in each case than non-[...] loans A. † Equal instalments of principal. ‡ Equal repayments.

[...]ndon tea sales

[...] tea sales held in London last [...]201 packages sold realised an [...] price of 91.31p per kilo compared [...]92p at the previous sale and [...]62.61p a year ago. Plain tea [...]ted at 81p.

	No. of kilos	Average per kilo
[...]ighland Prod.	67,255	97½p
[...]	25,458	93p
[...]	1,996	90p
[...]Africa	57,781	83½p
[...]od	11,960	90p
[...] Co.	37,726	99½p
[...] Dev.	100,235	102½p
[...]sforth	228,257	92p
[...]	86,190	89½p
Malayam	10,878	85p
Moran	49,201	89½p
Namingomba	6,333	79p
Raimai	5,916	95p
Ruo Estates	44,184	85½p
Salonah	22,616	90½p
Scot. Assam	9,152	87½p
Tanganyika	8,949	101p
Tanzania	9,612	95p
Thanai	16,136	59½p
Thyolo	67,766	82½p
Tukuyu	45,089	100½p
Upper Assam	5,610	90p

Stocks at June 18 amounted to 42,253 metric tons compared with 66,495 metric tons a year ago. Converted at 48.305 kilos per package.

[...]ECENT ISSUES

EQUITIES

[illegible]	[illegible]

FIXED INTEREST STOCKS

[illegible]	[illegible]

"RIGHTS" OFFERS

[illegible]	[illegible]

INTERNATIONAL COMPANY NEWS

Sharp recovery seen at Great Atlantic Tea

BY STEWART FLEMING — NEW YORK, June 27

THE GREAT Atlantic and Pacific Tea Company, a leading U.S. supermarket group, has seen a sharp recovery in its fortunes in the first quarter of the current financial year.

After incurring a loss in the first quarter of its 1976 fiscal year of over $6m., in the first quarter of the 1977 fiscal year, which ended on May 26, the company is reporting a profit of $6m.

The turnaround is in part attributable to a fundamental reorganisation over the past year, which has seen the closure of 1,485 stores. The company is now raising the prospect of returning to the dividend lists. Under bank loan agreements, however, it needs to record four profitable quarters before it can do this. The company has already attained two of the four required.

Mr. Jonathan Scott, the chairman, said that the pruning of unprofitable stores and the opening of new larger stores, will continue in the current year.

SNCF deficit

PARIS, June 27.

FRENCH state-owned railways, Societe Nationale des Chemins de fer (SNCF), said it made a 1975 deficit of Frs.1.18bn. adding to the Frs.400m. deficit accumulated over previous years. Reuter

● Pre-tax profits of Club Mediterranée, operators of vacation resorts, amounted to Frs.12.9m. during the six months ended April 30 of the 1975-76 financial year. It compares with pre-tax profits of Frs.8.5m. a year earlier.

Turnover during the same period amounted to Frs.369.8m., up from Frs.275.6m. a year ago.

Kleber sees increase in tyre sales

PARIS, June 27.

KLEBER-COLOMBES chairman Manual Beraldi said tyre sales to the motor industry have continued to develop satisfactorily this year following the recovery stated in October 1975.

Sales of other rubber products to the motor industry are growing while sales of tyres to the replacement market have been picking up since April this year, he told the annual meeting.

However, sales to other industries remain hesitant and, as for results this year, many uncertainties remain, he said.

Kleber-Colombes made a net 1975 loss of Frs.28.4m. (profit Frs.1.7m.) on turnover of Frs.1.43bn. (Frs.1.41bn.).

Lafarge group results should improve this year, by a margin exceeding inflation, Chairman Oliver Lecerf told the annual meeting.

Earlier this month, company officials told an information meeting the results would be about 10 per cent. up this year against 1975.

Lafarge SA made a net attributable 1975 group profit of Frs.130m. (Frs.101m.) on consolidated sales of Frs.5.34bn. (Frs.4.85bn.)

Lecerf said the second half this year will be particularly important as the economic recovery has not yet affected the group's two main activities, cement manufacture in France and Canada.

In these two countries, cement consumption in the first five months of this year was about the same as in the same 1975 period, but the recovery has been more pronounced in the group's non-cement activities.

Economic conditions remain good in Morocco, Black Africa, the French West Indies and Brazil.

Lecerf said that, on the basis of the situation at the end of May, the group is now hoping for a return to profit this year in its packaging division and in its British and Spanish activities, which all made losses last year.

World Economic Indicators

TRADE STATISTICS

			May '76	Apr. '76	Mar. '76	May '75
U.K.	£bn.	Exports	2.014	1.948	1.906	1.693
		Imports	2.356	2.210	1.922	1.612
		Balance	−0.342	−0.263	−0.016	+0.031
W. Germany	DMbn.	Exports	21.3	20.8	22.8	17.5
		Imports	18.0	18.5	18.9	14.2
		Balance	+3.3	+2.3	+3.9	+3.3
France	Frs.bn.	Exports	23.138	23.217	23.385	17.836
		Imports	23.973	24.452	24.916	16.625
		Balance	−0.835	−1.235	−1.531	+1.211
Japan	$bn.	Exports	5.210	5.238	5.848	4.310
		Imports	4.540	4.505	4.491	4.378
		Balance	+0.670	+0.733	+1.357	−0.068
			Apr. '76	Mar. '76	Feb. '76	Apr. '75
U.S.	$bn.	Exports	9.394	8.956	8.800	8.648
		Imports	9.596	9.607	8.941	7.952
		Balance	−0.202	−0.651	−0.141	+0.699
Italy	Lirebn.	Exports	2,362	2,508	1,880	1,749
		Imports	3,070	3,100	2,338	1,868
		Balance	−708	−592	−458	−119
Holland*	Fls.bn.	Exports	7.174	8.073	6.585	6.846
		Imports	7.734	7.943	6.410	6.279
		Balance	−0.560	+0.130	+0.175	+0.567
			Mar. '76	Feb. '76	Jan. '76	Mar. '75
Belgium*	B.Frs.bn.	Exports	111.838	94.637	90.041	89.449
		Imports	112.174	96.398	99.653	92.256
		Balance	−0.336	−1.761	−9.612	−2.807

* Excludes trade between Holland, Belgium and Luxembourg.

Money and Exchanges

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Short-term fixed period interest rates were generally firmer last week, reflecting the continuation of tight credit conditions in the London money market.

At the weekly Treasury bill tender the average rate of discount rose by 0.0543 per cent. to 10.9919 per cent. and Bank of England Minimum Lending Rate was unchanged at 11½ per cent. Only £450m. of the £600m. bills put up for tender were allotted, however, indicating the authorities wish to hold down interest rates under the present circumstances.

Day-to-day credit was generally in short supply, although conditions were good enough on Monday for the authorities not to intervene. On Tuesday a moderate shortage was relieved by lending overnight to two or three discount houses. Exceptionally large assistance was given on Wednesday and Thursday, with the authorities buying Treasury bills and corporation bills, and on Thursday they also lent an extremely large amount to 10 or 11 houses, for repayment the following day. A further exceptionally large shortage on Friday was relieved by official lending to 10 or 11 houses, at a rate below Minimum Lending Rate until Wednesday.

Sterling lost ground in the foreign exchange market last week, though the general level of trading was fairly quiet. Continued intervention by the authorities in the short-term forward market helped to support the pound and little change was seen during the first three days. Sterling fell 5 points against the U.S. dollar on Monday, lost a further 15 points on Tuesday, and was unchanged at $1.7720-$1.7730 on Wednesday. A large selling order from the Continent pushed the pound down quite sharply on Thursday morning, to touch $1.7625-1.7635, but following support from the Bank of England, it had recovered most of the day's loss by the close.

Sterling's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, widened to 39.2 per cent. from 39 per cent.

The Japanese Yen was firmer, following speculation that the U.S. is to ask Japan to allow the Yen to appreciate and not to artificially depress the value of the currency. It closed on Friday at Y297.65 in terms of the dollar, against Y299.20 at the end of the previous week. The Swiss franc also improved, after recent intervention by the Swiss and U.S. authorities to hold down its value, and closed at Sw.Frs.2.4730, against the dollar, compared with Sw.Frs.2.4885 on the previous Friday.

The Canadian dollar maintained its recent appreciation, and the Italian lira gained ground following the result of the Italian election.

The U.S. dollar was generally weaker, its trade-weighted average depreciation, as calculated by Morgan Guaranty of New York, widened to 2.02 per cent. from 1.92 per cent.

Gold fell $1 to finish the week at $124½-125½.

INSURANCE BASE RATES

† Atlantic Assurance ... 10½%
Cannon Assurance 9½%

† Address shown under Insurance and Property Bond table.

June 25 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ♦	Bank Bills ♦	Fine trade Bills ♦
Overnight	[illegible]	10½-12	[illegible]	[illegible]	[illegible]	11-11¼	10½-11½	[illegible]	[illegible]	[illegible]
2 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
†7 days or	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

GOLD MARKET

[illegible]	[illegible]

EXCHANGE CROSS-RATES

June 25	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EURO-CURRENCY INTEREST RATES*

June 25 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FORWARD RATES

	One month	Three months
[illegible]	[illegible]	[illegible]

FOREIGN EXCHANGES

OTHER MARKETS		
[illegible]	[illegible]	[illegible]

June 25 1976	Bank Rate %	Day's Spread	Close
[illegible]	[illegible]	[illegible]	[illegible]

SPECIAL DRAWING RIGHTS RATES

	June 25	June 24
[illegible]	[illegible]	[illegible]

MINING NOTEBOOK

Charter's clouds may have a tin lining

BY LODESTAR

DURING THE past few years Charter Consolidated, the London-based arm of the big South African Anglo American Corporation group, has been chastised for its failures in the mining field. But at least along with Anglo itself it was prepared to have a go. And who could blame any company's management for participating in a venture with a grade of 5.7 per cent. copper such as that of Tenke-Fungurume in Zaire, an orebody that will undoubtedly be extracted one of these days hopefully by the original participants therein.

By the turn of the wheel of fortune Charter is certainly due for that stroke of luck which all the world's mining houses must partly depend on whatever their degree of expertise. This, it is to be hoped, will come from tin in Malaysia an area in which the company has undoubtedly done its homework. In other words, at no time over the past few years has it been content just to sit back and rest on the laurels of its three major producers there, Tronoh, Ayer Hitam and Sungei Besi.

After an exercise, which has probably involved more convolutions than any in the many that I have had to plough my way through in the past, Charter is at least now able to breathe a sigh of relief and sit back with a Malayasian tin deal which should be good both for that country and the company itself.

As with all mining groups throughout the world Charter is having to put its faith in the Government of the country in which it is operating. That it is prepared to do so now has as a bulwark Malaysia's proposed "third plan," which is frank about the need for foreign investment, and the presence as Minister of Finance of Tungku Razaleigh the former head of the Government's Pernas organisation which will be Charter's partner in New Tradeswinds, the company that is designed to encompass the entire exercise and which should eventually be publicly listed.

Minority stake

Charter's 28.65 per cent. holding in New Tradewinds may not look all that big mathematically but there are few mining houses these days who would back their chances of retaining a majority stake in a host country's mineral resources for very long whereas the provision of the necessary expertise and capital through a minority interest is a much more tenable proposition.

And for Charter it has a number of undoubted advantages. The deal considerably broadens its immediate tin-mining base through bringing into its management and income fold the big producers in the London Tin group such as Berjuntai, Malayan, Southern Malayan, Southern Kinta and Aokam.

Looking further ahead Charter can, through the Pernas deal, reasonably expect to replace the fading mines by the development of new areas the granting of the leases for which should be facilitated by the government hook-up. That in south Selangor is a particular case in point.

It has not been put into the deal because it has yet to be fully proved up. Only when it has been can the terms of its inclusion be satisfactorily worked out for a development in which Charter has a 36 per cent. stake and Tronoh 9 per cent. with the balance being held by the Selangor State Development Corporation.

But I gather that it could well be a 3-dredge proposition with a life of around 20 years. Moreover, only about a quarter of the area has yet been explored. It would, of course, involve a considerable capital outlay that could be £35m. or more. Even so, providing all goes well politically in Malaysia, a proviso that has to be made these days in almost any part of the world, Charter could at last have landed a "plum."

Price records

The tin price is certainly battling for them with record sterling levels and the Penang quotation once again knocking up against the International Tin Council buffer stock manager's present ceiling of $M1,200 a picul. So it hardly yet looks a good selling time for time shares generally.

One of the advantages for the companies involved in the Charter deal is that their emigration to Malaysia will take them beyond the U.K. dividend limitation curtain. Tronoh, Sungei Besi and Ayer Hitam are already proposing to go. Those in the London Tin group are almost certain to follow them in due course. It will obviously be more convenient for New Tradewinds eventually to have all the boards locally based.

And what of Amalgamated Tin of Nigeria, the London Tin group company which has been left out in the cold? As reported in our Mining News column on June 22, the state-owned Nigerian Mining Corporation proposes to acquire a 40 per cent. stake therein. On this basis London stockbrokers Laurence Prust make out a case for the shares as a "cheap way of gearing to the tin price."

Having talked with a correspondent in Lagos I would not altogether go along with this especially the calculation at this early stage that there could be a capital repayment of 10p a share. Amal are 42p. Potential buyers may do well to bear in mind the 1975-76 results which last year came long in September. The January labour strike has also to be remembered along with the accompanying cautious profits comment by the directors in March.

Looking in Alaska

Last month I was writing here about Mr. Pat Hughes' obvious enthusiasm for prospecting in Alaska which he reckons "offers excellent chances for economic mineral discoveries in a stable political and economic environment." Well, his cash rich Northgate Exploration group is certainly willing to put its money where its mouth is as was underlined at Friday's meeting in Toronto of one of the group's constituents Westfield Minerals the shares of which have been a good market in London recently at around 200p.

Northgate and Westfield, with Anglo United as a junior partner in one venture, are looking for gold, copper, lead-zinc and uranium in this American state. Westfield's own exploration budget for 1976 will "easily exceed" $0.5m. (£0.29m.).

At the gold placer prospects in the Bluff area of the Seward Peninsula three test pits have now been put down in the vicinity of certain of the onshore drill holes. Samples obtained from the pits are being treated at the Lakefield Research Laboratory in Ontario for "quantitative tests to confirm the relative gold content indicated by the drilling." A churn drill programme is also expected to start early next month.

It must be emphasised that no actual commercial find has yet been made by the group in Alaska. At this stage shareholders must hope that Mr. Hughes' "nose" for scenting out viable mineral deposits will once again stand him in good stead. Northgate are 360p.

THE JOBS COLUMN

Save 5,000 civil servants, and go on recruiting

BY MICHAEL DIXON

A THOUGHT has just occurred. Most of the jobs cited hereafter are being offered through either the Civil Service Commission, or the Professional and Executive Recruitment agency which is a branch of the Government-sponsored Employment Service Agency.

The ESA and PER are intended to offer to employers in general services of the same broad kind as the commission provides for the Civil Service. So why not hand the service's recruitment over to the Employment Service Agency and get rid of the commission?

We are, after all, supposed to be economising on public spending. And, although major savings would not ensue immediately, a quick calculation suggests an eventual reduction of about 5,000 staff with a cut in the Civil Service pay bill of perhaps £25m. to £30m. a year at present rates.

The mandarins would then have to make do with the same State recruitment services as are available to the rest of us, which might well be the best possible force for getting those services improved.

Although I could use a 10 per cent. commission on the profits of abolishing the commission, I offer my simple suggestion to Denis Healey free of any monetary reward. All I would want in return is that he and his colleagues will stop speechifying about the "social wage," and instead spell out publicly that there is no necessary connection between money spent by bureaucratic governmental departments, and benefits actually received by people who need them.

In the meantime, however, the Civil Service Commission, which is handling the first five jobs—can be found at Alencon Link, Basingstoke, Hants RG21 1JB, telephone Basingstoke 68551 or, for answering service only, 01-839 1992.

A £12,465-a-year post is open in the Department of Health and Social Security, at the head of 20 professional economists advising in three main areas. The first is the health and personal social services. The second is social security provisions for each of the main "client" groups. The third covers standards of living, distribution of income, studies of poverty and so on. A record of success both professionally and administratively is needed, and experience as an economic adviser or in teaching the subject at advanced level. Inquiries to quote reference A/9316.

NOW for an accountant/adviser's post in London with the Monopolies and Mergers Commission which has a salary scale of £9,115-£11,465. With a small staff of accountants, the newcomer will be responsible for providing the commission with professional advice, for financial investigations, for drafting parts of reports, and for supervising the work of accountancy firms which the commission engages. Much high-level contact is involved. The specification is for someone, 35 or more, with copious accountancy experience including senior management work. Reference G/9321.

A QUALIFIED accountant is also wanted—though at a starting salary of up to relatively measly level of £6,200—with the accountancy services division for the Scottish Departments of Agriculture and Fisheries, Development, Economic Planning, Education, and Home and Health. The division has bases in Edinburgh and Glasgow and the work includes preparing and examining financial statements, appraising investments, and various other investigatory tasks. Good general experience of financial and management types of accounting, and sound business judgment are needed. Ref. G(E1)590.

A HEAD is being sought for the design and public relations activities of the British Museum. This is a new job at deputy keeper rank with a salary scale of £7,925-£9,215. The design staff deal with permanent displays, exhibitions, posters and suchlike. The public relations staff do public relations. Candidates need a well developed visual sense and talent for getting across to the Press and the public. For some stupid reason, they have also got to have at least a second-class honours degree in a subject appropriate to the museum. Ref. G/9324.

THE FIFTH, at the same salary scale, is the new job of head of conservation in the reference division of the British Library in London. The newcomer will be responsible for co-ordinating all work connected with binding books and otherwise conserving the assets, and seeing that more and more of it is done. Candidates should be 30 or over, experienced in managing a production process of comparable type, and —of course, of course—have a degree or the equivalent. (Another reason for abolishing the Civil Service machinery would be that the Employment Service Agency might get government organisations to adopt a less stuffy "club" attitude towards specifying qualifications which are irrelevant to the job concerned.)

PER consultant Mildred Miller is looking for a qualified management accountant, preferably knowing the toiletry or pharmaceuticals industry. The job is in Skelmersdale with Vanda Beauty Counselor which, as the spelling shows, is part of the U.S. group Dart Industries which also runs Tupperware. The recruit will be responsible to the financial controller for the full accounting function of the company, which is in direct-selling. Inquiries to Mildred by telephone at 051-227-4111, extension 537.

MRS. MILLER would also like to hear from site engineers capable of moving around the Middle East, Africa and the Far East, managing teams of expatriate and local workers installing underground and overhead telephone cables. The employer is BICC Telecommunications, and the pay between £6,000 and £8,000 plus free bachelor accommodation. Mildred's postal address is PER, Graeme House, Derby Square, Liverpool L2 7SP.

YOUNGISH qualified mechanical engineers are wanted by Roger Headey, personnel officer of Gestetner (P.O. Box 466, London N17 9LT—Tel. 01-808 1050) for development work on numerous new widgets in the field of reprographics. Salaries, dependent on experience, up to £4,000 or so.

Tube contract

A CONTRACT worth more than £3m. for 816,830 metres of seamless titanium condenser tube has been received by the new metals division of Imperial Metal Industries (Kynoch), of Birmingham and Swansea from GEC Turbine Generators.

It covers three sets of condenser tube for the three GEC 660 MW steam turbines at the Central Electricity Generating Board's Littlebrook "D" oil-fired power station, being built by the Thames near London.

Gas well order

KCA DRILLING, a member of the Berry Wiggins Group, has been awarded a contract to drill the third gas storage well for the British Gas Corporation at Atwick, near Hornsea, Yorkshire.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROBONDS

Issues slow down

BY MARY CAMPBELL

THE PACE of new issue activity slowed down last week, but this did not mean any break in the market. The U.S. dollar sector of the secondary market was very firm and a number of new issues are apparently scheduled for this week.

Market sources suggest that the forthcoming issues include a fixed rate offering by one of the smaller British clearing banks.

Among new issues announced last week, the most interesting name was the British company Bowater. This was the first British private sector Eurobond issue in dollars since 1974 (other than by a British bank) and it will be watched closely.

Although Bowater is not so well-known a name as some British companies, it has the advantage that the vast majority of its profits are earned outside the U.K.—over 90 per cent. last year, and never less than 60 per cent. during any of the last four years. The terms it is offering include an indicated 9¼ per cent. on the ten-year maturity. By way of comparison, Bell Canada's $60m. ten-year 8¾ per cent. offering was being quoted at around its issue price of 100¼ on Friday.

The other dollar new issue to be announced last week was $C25m. for Noranda Mines. This offers 9¾ per cent. for six years via Wood Gundy. An indication of the stickiness of the Canadian dollar sector at present was the sharp drop in the price of the City of Laval's 10 per cent. offering of 1983-96 which was being quoted on Friday more than a couple of points below its issue price of 99 per cent.

Priced at par late last week was Raymond's $20m. 8½ per cent. convertible. Conversion price was set at $25¾ per share. There is provision for the company to be able to redeem the bonds at a premium should the share price go above certain levels during the first five of the seven year life.

Credit Suisse has announced that it plans a Euromarket convertible issue later this year.

Prices of D-mark bonds have continued weak. The latest issue is DM100m. for ten years for Montreal via Westdeutsche Landesbank. Indicated coupon is 8½ per cent. Still in the market via Dresdner Bank is a DM130m. convertible for Komatsu for which the indicated terms are 6 per cent. at par.

In the Swiss franc sector coupons are down a further quarter of a point with the announcement that BMW is raising Sw.Frs.100m. at 6¼ per cent.

Satisfactory results expected for Holzmann

BY GUY HAWTIN

FRANKFURT, June 27.

Philipp Holzmann, one of Europe's leading construction concerns, is expecting generally satisfactory results for 1976. This however, will be largely attributable to the group's rapidly growing overseas activities.

The Holzmann annual report expects demand to continue weak at home and severe competition is expected to influence results to a certain degree. The report points out that although individual sectors of the West German economy have benefited from the recent economic upturn, this recovery has yet to work its way through the construction industry.

Holzmann, whose 1975 construction output rose by 5.4 per cent. to DM2.32bn. (£501m.) forecasts that in the housing sector the number of homes completed will decline further this year.

The importance of the group's overseas business can be assessed from the order books. At the end of 1975, orders were 56.6 per cent. up at DM2.99bn. with the lion's share of the growth coming from abroad.

Gloom at Enka Glanzstoff

WUPPERTAL, June 27.

ENKA Glanzstoff AG's chances of making a net profit this year (DM139.1m. net loss in 1975) are less than zero, chairman Hans Guenther Zempelin told the annual meeting.

The company so far this year has been running at a slight loss, and now faces the traditional slack summer business period.

The question is whether necessary price rises can be introduced when business improves again in fourth quarter, he added.

Zempelin said the position for chemical fibres has improved in 1976, although on average it has not been as good in recent months as in fourth-quarter 1975. Capacity use is up to 80 per cent. after being as low as 25 per cent. for certain fibre types last year, but a further rise in volume sales is necessary.

Enka must concentrate from 1976 to 1978 on cost-saving to the tune of DM280m. per year.

Investments in 1976 will be below last year's DM180m., but should rise in later years to meet the backlog in demand.

● Industrieele Handels Combinatie Holland (IHC) has returned to profitability and sales and earnings are developing well so far this year, the Board said.

However, the company faces a difficult period because the recent substantial deterioration in world shipbuilding demand

AUSTRALIAN WEEKLY LIST

Australian $	June 25	June 18	Australian $	June 25	June 18
Advertiser Newspaper	†1.60	†1.66	Kiwi Int.	†0.94	†0.92
Ansett Transport	†1.12	†1.10	M.L.C.	†5.10	—
Assd. Securities	†0.42	†0.43	Mauri Bros.	†0.77	†0.80
Aust. Guarantee	†1.80	†1.70	Mayne Nickless	†1.59	†1.55
Aust. Paper M'f'g.	†1.46	†1.43	Nylex Corporation	†0.48	†0.53
Bond	†2.25	†2.28	Olympic Cons.	†0.55	†0.56
Bramble Inds.	†1.60	†1.61	Overseas Corporation	†1.52	†1.50
Burns Philp	†2.40	†2.30	Petersville	†0.28	†0.28
Carpenter (W.R.)	†1.45	†1.50	Queensland Cement	†1.49	†1.44
Castlemaine Perkins	†3.78	†3.80	QBE	†1.12	†1.08
Coal & Allied	†2.25	†3.45	Rocla Industries	†1.00	†1.09
Commercial Bank	†2.82	—	Swan Brewery	†1.43	†1.40
Commercial Union	†0.60		TV Corporation	†4.00	†4.05
Commonw'lth Mining	†2.40	†2.40	Thiess	†2.25	†2.38
Grace Bros.	†2.24	†2.16	Thomas Nat. Trans.	†1.48	†1.52
Hardie Asbestos	†5.50	†5.26	Tooheys	†1.37	†1.36
Herald & Weekly	†2.04	†2.10	Travelodge	†0.30	†0.30
Humes	†1.03	†10.0	Woodside Burmah	†0.80	†0.80

† Buyer ‡ Seller

TEL AVIV STOCK EXCHANGE

Company	Prices June 27 Isr.£	Change on the week	Company	Prices June 27, 1976	Change on the week
Banking, Insurance and Finance			**Investment Companies**		
Bank Leumi Le Israel	191.5	−0.5	Bank Leumi Invest	160	−3.5
I.D.B. Bankholding	230	+1.5	Discount Bank Invest Br.	173.5	+3.0
Bank Hapoalim Br.	243	—	'CLAL' Israel Invest	206	+1.0
Union Bank of Israel Br.	235	+4.0	'CLAL' Industries	130	+1.5
United Mizrahi Bank	145		**Commercial and Industrial**		
Hassneh Insurance Br.	306		Alliance Tire & Rubber	575	+25.0
Wolfson Clore Mayer Br.	76		Elco Br.	294	−7.0
General Mtge. Bank Br.	173		Argaman Textile Br.	232	−3.0
'Tefahot' Israel Mort. Bank Br.	210	+3.0	'Ata' Textile 'B'	155	−1.0
			Dubek Br.	416	+1.0
			Elec. Wire & Cable Br.	102.5	—
			Solel Boneh 10% Pref. Br.	128	+3.0
			American Israeli Paper Mills	218	—
			Assis	169.5	+6.0
Land Development			Isr. Manuf. of Plywood Br.	102.5	+2.0
Africa Israel Invest. IL10	281	−3.0	Elite	293	−1.0
Israel Land Devel. Br.	101	−0.5	Polygon	135	+13.0
Property and Building	154	−1.0	Teva 'Reg'	831	−20.0
Meloadim	525	−10.0			
Public Utility			**Fuel and Oil**		
Israel Electric Corp.	181.5	−2.5	Delek	207	−1.0

Source: Bank Leumi Le Israel, Tel Aviv.

HONG KONG

Hong Kong $	Jun. 25	June 18
Amalgamated Rubber	1.68	1.67
Hewatum	‡14.20	‡14.20
Carlay Securities	—	—
China Light & Power	22.60	22.00
City Hotels	31.00	30.50
Cosmopolitan Properties	1.19	1.14
Cross Harbour Tunnel	9.30	†9.10
E. Asia Navigation	5.10	4.75
Hong Kong Aircraft	†42.00	40.00
HongKng&WhampoaDocks	9.80	9.85
Hong Kong Electric	4.35	4.325
HongKongKowloonWharf	16.60	16.70
Hong Kong Land Invest.	7.10	6.95
HongKongShanghaiBank	18.90	18.50
HongKongShanghaiHotels	11.90	11.20
Hutchison International	5.125	5.05
Indonesia Consolidated		
Inter. Pacific Securities	8.45	8.60
Jardine Matheson	21.20	20.90
Jardine Secs.	7.90	7.40
Lombard Insurance	—	
Rubber	1.74	1.73
Sime Darby	6.50	6.40
Southn. Pac. Props.	0.67	0.65
Southsea Textile	25.50	
Swire Pacific A	9.45	9.50
Textile Alliance	‡8.00	‡8.00
Textile Corp. of Hong Kong	‡5.50	‡5.35
Wheelock Marden	2.525	2.55
Wheelock Maritime	‡3.30	‡3.50
Winsor Industrial	2.05	2.025
Wyndham	7.35	7.15

† Buyer. ‡ Seller. n nominal. xa ex-all. xd ex-dividend.

I.G. INDEX 01-351 3466
SEPTEMBER COFFEE
1576¼-1585¼

SINGAPORE STOCKS

Jun. 25	$	Jun. 25	$
Industrials		Straits Trad'g	5.30
Boris	†0.30	Temenggong	†1.46
Boustead Co.	1.74	Times Pub. Berhad	3.20
Boustead Bhd	3.52	U. Engineers	1.91
Dunlop	†2.98	U. Ov's. Bk.	4.32
Esso	1.56	Wearne	2.42
Fraser Neave	5.80	Tractor	3.76
Raw Pac.	susp.	Chemical	4.30
Hume Ind.	1.73	Will'm Jacks.	1.27
Inchcape	2.19	**Rubbers**	
Jardine	2.80	Batu Lintang	1.08
Malay Brws.	†6.40	Dunl'p Estate	‡1.85
Malay Cemt.	‡2.65	Kempas	2.65
Mal. Tobacco	†4.50		
Ov's Chin. Bk	8.90	**Tins**	
Pan Electric	2.56	Austral. Am.	—
Robinson Co.	2.04	Berjuntai	12.10
Rothmans	3.06	Kamunting	‡2.16
Shell	2.12	Kramat	‡3.16
Sime Darby	3.54	Kuchai	—
Cold Storage	3.28	Lower Perak	—
Straits Steam	3.50	Petaling Tin	8.74
Straits Times (1975) Ltd.	3.22	Sungei Way	10.95
		Tongkah Har.	1.80

* Bid. † Buyer. ‡ Seller. xb Ex bonus.

CORAL INDEX
Close 373-378

Indices

NEW YORK—DOW JONES

	June 25	June 24	June 23	June 22	June 21	June 18	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrials	999.84	1003.77	996.56	997.63	1007.45	1001.89	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home Bonds	72.78	72.81	72.75	72.75	72.68	72.71	73.60 (22/4)	69.11 (2/1)	—	—
Transport	222.21	221.78	220.64	221.87	221.62	220.48	222.21 (25/6)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	87.52	86.59	85.95	85.70	86.05	86.15	91.90 (4/2)	84.80 (25/01)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	17,850	19,850	17,530	21,150	18,950	26,720	—	—	—	—

	June 18	June 11	June 4	Year ago (approx)
Ind. div. yield %	3.79	3.88	3.94	4.69

STANDARD AND POORS

	June 25	June 24	June 23	June 22	June 21	June 18	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	116.76	116.97	116.25	116.63	117.49	116.86	118.57 (24/3)	107.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
†Composite	103.72	103.79	103.25	103.47	104.28	103.76	103.79 (24/6)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	June 16	June 9	June 2	Year ago (approx.)
Ind. div. yield %	3.41	3.53	3.46	3.73
Ind. P/E Ratio	12.65	12.22	13.59	11.02
Long Govt. Bond yield	5.69	5.72	5.86	5.71

N.Y. S.E. ALL COMMON

June 25	June 24	June 23	June 22	1976 High	1976 Low
55.55	55.35	56.05	56.14	65.53 (21/6/76)	57.06 [illegible]

Rises and Falls June 25: Issues traded—1,837; Up—746; Down—626; Same 465; New Highs 82; New Lows [illegible]

MONTREAL, TORONTO, JOHANNESBURG

		June 25	June 24	June 23	June 22	1976 High	1976 Low
MONTREAL	Industrial	[illegible]	[illegible]	200.70	202.26	207.65 (19/5)	176.62 (2/1)
	Combined	[illegible]	[illegible]	192.57	195.88	199.75 (20/5)	173.67 (2/1)
TORONTO	Industrial	168.74	169.16	168.76	169.80	197.45 (20/2)	175.01 (2/1)
JOHANNESBURG	Gold	187.2	186.8	188.6	195.6	226.7 (12/5)	174.4 (15/4)
	Industrials	202.6	203.4	205.5	205.9	215.0 (21/5)	198.6 (15/4)

	June 25	Previous	1976 High	1976 Low
Australia (a)	471.90	472.95	475.51 (25/6)	445.22 (5/1)
Belgium (b)	91.45	94.66	[illegible]	87.66 (2/6)
Denmark (c)	109.53	109.70	112.22 (9/6)	100.20 (19/5)
France (d)	66.3	66.1	[illegible]	65.1 [illegible]
Germany (e)	765.0	764.7	821.7 (17/3)	755.0 [illegible]
Holland (f)	91.3	92.6	100.5 [illegible]	91.3 [illegible]
Hongkong (g)	409.25	404.47	465.33 (17/3)	364.0 [illegible]
Italy (h)	79.22	73.22	91.51 [illegible]	71.5 [illegible]
Japan (i)	362.09	361.22	366.11 (18/6)	326.3 [illegible]
Singapore (j)	266.25	265.52	276.16 [illegible]	256.3 [illegible]
Spain (k)	86.46	86.68	[illegible]	[illegible]
Sweden (l)	[illegible]	451.54	[illegible]	[illegible]
Switz'rl'd (m)	284.7	284.6	[illegible]	[illegible]

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10; (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. *425 Industrials. †425 Inds., 50 Utilities and 25 Rails. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—116¼% (116¼%)

NEW YORK

[illegible]

CANADA

[illegible]

JOHANNESBURG

[illegible]

CANADIAN WEEKLY LIST

[illegible]

AUSTRALIA

[illegible]

GERMANY ◆

[illegible]

PARIS

[illegible]

AMSTERDAM

[illegible]

SWITZERLAND ◆

[illegible]

COPENHAGEN

[illegible]

MILAN

[illegible]

OSLO

[illegible]

STOCKHOLM

[illegible]

SPAIN

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

TOKYO

[illegible]

VIENNA

[illegible]

هكزامن الأجل

CANADIAN WEEKLY LIST

AUTHORISED UNIT TRUSTS

...Unit Tst. Mgrs. Ltd. (a)(g)
...rehouse Rd., Aylesbury. 0296 5041

Capital	22.7	24.1	-0.2	4.41
Income	27.7	29.5	-0.3	5.86
...ev. Tst Fd.	25.0	26.6	-0.1	4.27
Gen. Tst	34.2	36.4	-0.2	4.33

... Hambro Group (a) (g)
...Hse., Hutton, Brentwood, Essex
2851 or Billericay (02774) 53

...st	49.2	52.6	-0.4	5.39
...d. 2nd	47.6	50.8	-0.3	6.18
...& Inc. Tst.	29.3	31.3	-0.3	5.52
...Ind. Dev.	23.7	25.3	-0.1	6.08
...n. & C'dy	33.4	35.7	-0.2	5.79
Capital Tst.	52.5	56.1	-0.4	5.82
...come	46.1	49.2	-0.4	7.07
Income	28.5	30.4	-0.2	6.97
...ational	23.2	24.8	.....	2.31
...ield Fund	44.2	47.2	-0.2	9.68
...d.	78.5	83.6	-0.6	5.86
...me Fund	39.8	42.5	-0.2	7.34
...very	101.1	108.0	-0.7	7.17
...ler Co's	18.4	19.7	-0.1	7.21
...aller Co's	24.3	26.0	-0.1	6.98
...m. Fund	85.4	91.2	-0.5	4.94
...America	51.1	54.6	+0.2	2.47
...Fund	29.9	31.9	+0.1	2.00
Earnings	43.7	46.7	-0.4	4.48
...empt. June 1	133.6	140.6	.....	6.79

...acher Unit Mgmt. Co. Ltd.
...St., EC2V 7JH 01-606 4010

...nthly Fund	117.0	127.0	.....	11.10

...thnot Securities Ltd. (a) (c)
...n St., E'burgh EH3 9LH 031-226 1421

...Grants	30.9	33.3	-0.2	3.85
...m. Units)	33.8	36.4	-0.2	3.85
...Units	25.6	27.6	-0.2	3.89
...m. Units)	28.4	30.5	-0.2	3.89
...c. Units	32.3	34.7	-0.1	11.57
...ts)	38.0	40.9	.....	11.54
...Intl Acct.	20.6	22.2	.....	2.21
...Cmpnd	24.9	26.8	+0.5	8.54
...m Units)	31.4	33.8	+0.5	8.56
...thdrawal)	25.1	27.0	+0.5	8.56
...Pref.	23.2	25.0	+0.2	13.08
...m Units)	29.2	31.4	-0.2	13.08
Capital*	15.8	17.0	.....	—
Australian*	15.6	16.8	.....	4.56
...thdr'l*	13.7	14.7	.....	—
...ctr. Ldrs ††	20.0	21.5	.....	4.64
...En. Prop ††	13.5	14.5	.....	4.58
...Units	28.1	30.2	.....	0.90
...North Seat	20.9	22.5	.....	3.55
...Cmdty.**	38.2	41.0	.....	6.49
...m. Units)**	51.5	55.4	.....	6.49
...ithdrawal**	37.6	40.5	.....	6.49

...d. ‡Mon. *Tues. ††Wed. §Thurs. **Fri.

Brandts Ltd.♥
36, Fenchurch St., E.C.3 01-626 6599

Brandts Cap.	95.5	102.8	-0.5	2.89
Do Accum.	107.0	114.0	-1.0	2.14
♦Brandts Inc.	114.5	121.5		7.14

Next sub. day July 1.

Bridge Talisman Fd. Mgrs.♥ (a)(c)
5-8, Mincing Lane, E.C.3. 01-623 4951

BT Income	177.6	191.0	.....	8.24
BT Capital Inc.	25.7	27.6	.....	4.25
BT Capital Acc.	26.8	28.5	.....	4.25
BT Exempt	88.0	94.0	.....	5.31
BT Intl. Inc.	13.4	14.3	.....	3.20
♦BT Inter'l Acc.	13.8	14.7	.....	3.20

Prices on June 16. Next sub. day June 23.

The British Life Office Ltd.♥ (a)
Reliance Hse., Tunbridge Wells. Kt. 0892 22271

BL British Life	40.0	42.3	-0.1	5.41
BL Balanced*	34.3	36.7	.....	5.66
BL Capital*	32.1	34.3	.....	4.90
BL Dividend*	33.0	35.3	.....	7.94

*Prices on June 23. Next dealing June 30.

Brown Shipley & Co. Ltd.♥(x)(c)
Mngrs. Founders Ct., EC2 01-600 8520

BS Units*	150.3	158.2	.....	5.83
Do. (Accum.)*	175.7	184.9	.....	5.83
BS Exempt June 1	95.6	100.6	.....	5.73

Prices on June 22. Next sub. day June 29.

Canada Life Unit Tst. Mngrs. Ltd.♥
2-6 High St., Potters Bar, Herts. P. Bar 51122

Can. Gen Dist.	30.0	31.6	-0.1	4.50
Do. Gen. Accum.	34.3	36.1	-0.2	4.50
Do. Inc. Dist.	26.9	28.3	-0.1	8.56
Do Inc. Accum.	31.5	33.1	-0.1	8.56

Capel (James) Mngt. Ltd.♥
100 Old Broad St., EC2N 1BQ 01-588 6010

Capital	61.8	65.3	.....	3.98
Income	54.7	57.8	.....	6.97

Prices on June 16. Next dealing July 7.

Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)
Milburn House, Newcastle-upon-Tyne 21165

Carliol	56.2	58.8	.....	3.57
Do Accum. Units	63.6	66.3	.....	3.57
Do. High Yield	30.0	32.8	.....	9.55
Do Accum. Units	32.5	34.5	.....	9.55

Next dealing June 30.

Charterhouse Japhet♥
1, Paternoster Row, EC4. 01-248 3999

C.J. Internat'l	24.6	26.2	.....	2.23
Accum. Units	27.4	29.2	.....	2.23
C.J. Income	29.2	31.2	.....	9.41
C.J. Euro Fin.	26.2	28.0	.....	2.79
Accum. Units	28.6	30.6	.....	2.79
C.J. Fd. Inv. Tst.	20.2	21.6	.....	3.85
Accum. Units	22.0	23.6	.....	3.85

Price on June 23. Next dealing June 30.

[illegible]

Equity & Law Unit Tr. M. (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	50.4	53.0	-0.2	4.57

Framlington Unit Mgt. Ltd.(a)
5-7, Ireland Yard, EC4B 5DH. 01-248 6971

Capital Tst.	57.6	61.2	.....	5.03
Income Tst.	56.4	59.8	.....	7.40

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts	28.6	30.5	-0.3	5.14
Do. Accum.	34.3	36.6	-0.4	5.14

...opsgate Progressive Mgmt. Co.♥
...hopsgate, E.C.2. 01-588 6280

...Pr.* June 22	124.5	132.6	.....	3.85
...nits* June 22	140.7	149.9	.....	3.85
...Int.† June 15	128.4	138.1	.....	3.08
...Units June 15	135.8	146.1	.....	3.08

Next sub. day †June 29. *July 6.

...nning Brothers & Co. Ltd.♥ (a)(x)
...adenhall St., E.C.3. 01-588 2830

...on Tst.	147.2	153.4	.....	4.86
...ccum.	172.8	180.0	.....	4.86

Next sub. day July 7

[illegible]

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is ...sented below with quotations on London. Irish issues, most of which are not ...cially listed in London, are shown separately and with prices as on the Irish ...hange.

							IRISH		
...any Inv. 20p	18	.....	Higsons Brew.	93	.....	Conv. 9% '80/82	£86¼	.....
...Spinning	34xd	.....	I.O.M. Stm. £1	140	.....	Alliance Gas	54	.....
...rtam	23	.....	Holt (Jos.) 25p	235	.....	Arnott	225	.....
...g'wir Est. 50p	133	.....	Kleen-e-Ze	33	+1	Carroll (P.J.)	108	.....
...over Croft	30	.....	Lovell's Ship £1	100	.....	Clondalkin	46	.....
...ng & Rose £1	350	.....	N'thn. Goldsmith	86xd	.....	Concrete Prods.	97	.....
...son (R.A.)	28	.....	P.M.A.	40	-3	Heiton (Hldgs.)	23	.....
...in & McHdy	69	.....	Pearce (C. H.)	85	+5	Ind. News	40	.....
...ons Fr'k. 10p	23	.....	Peel Mills	14	.....	Ins. Corp.	160	.....
...ered	12	.....	RobbCaledonSh.	31	.....	Irish Distillers	50	.....
...le Forge	45	.....	Sayers 12½p	13	-1	Irish Ropes	90	-2
...nley Pkg. 5p	16½	.....	Sheffield Brick	82	.....	Jacob	64	.....
...nt & Reed 50p	152§	.....	Sheff. Refrshmt.	140	.....	Sunbeam	12	.....
...ig Ship. £1	315	.....	Shiloh Spinn.	25	.....	T.M.G.	92½	.....
...llm Sleigh 10p	8	.....	Sindall (Wm.)	50	.....	Unidare	70	.....

BASE LENDING RATES

Allied Irish Banks Ltd.	10½%	Julian S. Hodge	11½%
American Express Bank	10½%	Hongkong & Shanghai	10½%
Anglo-Portuguese Bank	11 %	Industrial Bank of Scot.	10½%
Henry Ansbacher	11 %	Keyser Ullmann	11 %
Banco de Bilbao	10½%	Knowsley & Co. Ltd.	12½%
Banco de Jerez	12 %	Lloyds Bank	10½%
Bank of Cyprus	11 %	London & European	11 %
Bank of N.S.W.	10½%	London Mercantile	11½%
Banque du Rhone S.A.	11 %	Midland Bank	10½%
Barclays Bank	10½%	■ Samuel Montagu	10½%
Barnett, Christie Ltd.	12 %	■ Morgan Grenfell	10½%
Bremar Holdings Ltd.	11½%	National Westminster	10½%
Brit. Bank of Mid. East	10½%	Northern Comm. Trust	11 %
Brown Shipley	11 %	Norwich General Trust	11 %
Canada Permanent AFI	10½%	Portman Guaranty	9½%
Cayzer, Bowater Co. Ltd.	11 %	P. S. Refson & Co.	10½%
Cedar Holdings	11 %	Rossminster Accept'cs.	10½%
Charterhouse Japhet	11 %	Schlesinger Limited	11 %
C. E. Coates	11 %	E. S. Schwab	12 %
Consolidated Credits	11 %	Security Trust Co. Ltd.	12 %
Co-operative Bank	*10½%	Shenley Trust	12½%
Corinthian Securities	10½%	Standard Chartered	10½%
Credit Lyonnais	10½%	Trade Development Bk.	10½%
G. R. Dawes	11½%	Twentieth Century Bk.	12½%
Duboff Brothers	11 %	United Bank of Kuwait	10½%
Duncan Lawrie	10½%	Whiteaway Laidlaw	11½%
English Transcont	11 %	Williams & Glyn's	10½%
First London Secs.	10½%	Yorkshire Bank	10½%
Antony Gibbs	11 %		
Goode Durrant Trust	10 %		
Greyhound Guaranty	10½%		
Grindlays Bank	‡10½%		
Guinness Mahon	10½%		
Hambros Bank	10½%		
Hawtin & Partners	13 %		
Hill Samuel	§11 %		
C. Hoare & Co.	†10½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8½%, 1-month deposits 8¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7½% and over £25,000 7¾%.
§ Demand deposits 8½%.
‡ Call deposits over £1,000 6½%.

FINANCIAL TIMES STOCK INDICES

—	June 25	June 24	June 23	June 22	June 21	June 18	A Year ago
...vernment Secs.	62.65	62.76	62.89	62.78	62.58	62.55	58.33
...xed Interest	62.30	62.35	62.43	62.28	62.17	62.12	57.92
...dustrial Ordinary	375.1	376.4	382.3	384.8	383.2	386.9	295.5
...ld Mines	167.5	165.9	163.9	171.5	172.2	167.0	409.7
...d. Div. Yield	5.76	5.73	5.63	5.59	5.61	5.55	6.85
...rningsY'ld% (full)(a)	16.34	16.25	16.00	15.88	15.93	15.76	20.23
...E Ratio (net) (a) (b)	9.08	9.12	9.26	9.33	9.30	9.40	7.06
...ealings marked	4,207	4,320	4,515	4,140	4,028	4,124	5,762
...quity turnover £m	—	43.23	70.36	36.95	41.75	51.23	56.72
...quity bargains total	—	10,681	9,837	9,952	9,837	9,791	15,569

10 a.m. 376.8. 11 a.m. 375.2. Noon 373.9. 1 p.m. 373.9.
2 p.m. 373.9. 3 p.m. 374.2.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.80.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55 SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
...ovt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
...xed Int.	64.45 (2/2/76)	59.75 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
...d. Ord.	420.8 (4/5/76)	364.7 (2/6/76)	543.6 (19/5/72)	49.4 (26/6/40)
...ld Mines	246.9 (2/1/76)	140.1 (6/4/76)	442.3 (27/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	June 25	June 24
Daily—		
Gilt-Edged	123.6	127.3
Industrials	139.6	146.1
Speculative	47.5	47.5
Total	96.8	98.3
5-day Av'r'ge.		
Gilt-Edged	139.1	139.8
Industrials	137.4	135.2
Speculative	49.9	52.2
Totals	96.6	95.5

FT—ACTUARIES INDICES

—	June 25	June 24	June 23	June 22	June 21	June 18	A year ago
...dustrial Group	147.86	148.53	151.39	152.09	151.95	152.94	121.43
...0 Shares	165.12	165.98	168.64	169.79	169.74	171.18	134.58
...iv. Yield pc	5.98	5.95	5.86	5.80	5.80	5.76	6.59
...E Ratio (net)	9.96	10.02	10.17	10.24	10.24	10.33	6.65
...ll Shares	154.27	155.03	157.43	158.23	158.12	159.32	131.79
...manis Yield pc	15.94	15.84	15.63	13.92	14.01	14.00	14.66

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

COMPANY MEETINGS—
Capper-Neill, Manchester, 11.30
Central Province Ceylon Tea, 38, Queen Street, E.C., 12
Head Wrightson, Cleveland, 3
Hongkong (Selangor) Rubber, 1-4, Gt. Tower Street, E.C., 12.30
Hill (Charles) of Bristol, Bristol 11
Morrison (W.) Supermarkets, Bradford 11.30
Mothercare, Winchester House, E.C. 11

BOARD MEETINGS—
Finals:
Allied Colloids
Allied Retailers
Anglo-American Asphalt
Bishop's Stores
Eastwood (J. B.)
Eucalyptus Pulp Mills
May and Hassell
Moss (Robert)
Ropner Holdings
Stanhope General Investments
Ultra Electronic
Vaux Breweries
Interims:
Cronite
Greenfield Millets
Jenks (A. E.) and Cattell
SGB

DIVIDEND & INTEREST PAYMENTS—
Belgrave Assets 0.25p
Capper-Neill 1.287p
EMI 3.1p
Fortnum and Mason 15.5p 7pcPf. 2.45pc.
Guest Keen and Nettlefolds Ln. 3½pc. Ln. 3½pc.
Guest Keen and Nettlefolds (U.K.) Dbs. 2½ 3½ (76-81) 3¼ (84-89) 3¼ 3¾ 3½ 4¼ and 5¼pc
Renong Tin 1.5p
Sidlaw Ln. 4½pc
Smart (J.) 0.9p
Young Cos. Invest. Tst. 1.9p

TO-MORROW

COMPANY MEETINGS—
Aberdeen Investment, Aberdeen 12
Allied Leather, Grosvenor Victoria Hotel, S.W., 12
Bainbridge Engineering, Bury Lancashire, 11.30
Bilton (Percy), Bilton House, Ealing W., 12
Downs Surgical, Connaught Rooms W.C., 2.30
International Combustion, Hotel Russell, W.C., 12
Lake View Investment Trust, Winchester House, E.C., 11.30
Lesney Products, Hyde Park Hotel, S.W., 12
Sears Holdings, Selfridge Hotel, W., 12

BOARD MEETINGS—
Finals:
British Cotton and Wool Dyers
Brown Boveri Kent
Electrocomponents
Hardman (Thomas)
Jackson (J. and H. B.)
L.C.P.
Morgan Grampian
Reed (William)
Saint Piran
Standard Chartered Bank
Toothill (R. W.)
Interim:
Kenning Motor

DIVIDEND & INTEREST PAYMENTS—
Aberdeen Investments 1.05p
Dixor 0.6766p
Hill (Charles) of Bristol 2p
Mallinson (William) and Denny Mott 1.1756p
Outwich Investment Trust 1.375p
Shrewsbury and Wem. Brew. Db. 1½ and 2pc
Waterford Glass 0.675p

WEDNESDAY, JUNE 30

COMPANY MEETINGS—
British Home Stores, 129-137 Marylebone Road, N.W., 11.30
Cater Ryder, 1, King William Street, E.C., 12.30
Duncan (Walter), Goodricke, 87, Mincing Lane, E.C., 12
Hield Bros, Bradford, 12.
Melville Dundas and Whitson, Glasgow, 12
Selincourt, 42, Grosvenor Square 12
Simonside Investment, 16, St Martins-le-Grand, E.C., 12.30

BOARD MEETINGS—
Finals:
BPB Industries
Bassett (George)
Brickhouse Dudley
General Electric
Halma
Hicking Pentecost
Lamont Holdings
Interims:
Ashmole Investment Trust
Bett Bros
Blundell-Permoglaze
Brentnall Beard
C.G.S.B.
Crest Nicholson
M. and G. Dual Trust
Vectis Stone

DIVIDEND & INTEREST PAYMENTS—
A.V.P. Hldgs. Dbs. 2¾ 3½ and 5pc
A.V.P. Properties Db. 3½pc
Acrow Ln. 4pc
Adwest Group Ln 3 3 (2nd series) 4 and 5¼pc
Albright and Wilson 5pcPf. 1.75pc
Alcan Aluminium (U.K.) Ln. 5¼pc. Ln. 4½pc
Alexandra Building Services 5½pcPf. 1.925pc
Alginate Industries 7½pcPf. 2.625pc
Allied Insulators 6pcPf. 2.1pc
Allied Suppliers Ln 3¼pc
Allnatt London Props. Dbs 3¼ and 3½pc
Amalgamated Power Eng Db. 3½pc. Ln 3pc
American Assoc. Db 2½pc
American Trust Db. 2½pc
Anglo-American Asphalt 4pcPf. 1.4pc
Anglo-Scottish Invest. Tst. Dbs. 2 and 3½pc
Anglo-Transvaal Cons. Invest. Pf. 2½pc. Pf 3pc
Anglo-Transvaal Inds. Pf 2½pc
Antofagasta (City) 5pc (now 3pc) Stlg.Ln. 1914 (Assd. 1948) 2½pc
Applevard Group 7pcPf. 2.45pc
Arfon 1pcBds. Red. 5 1 77 5½pc
Argus Press 7pcPf. 2.45pc. Db. 3pc
Armitage (George) Sons 6pcPf 2.1pc
Armstrong Equipment 6½pcPf. 2.275pc
Arndale Prop. Tst. Ln. 3½pc
Artagen Props. Db. 3pc. Ln. 3½pc
Ash and Lacy Db. 4pc
Asprey 6½pcPf. 2.275pc
Aspro-Nicholas 5¾pcPf. 2.0125pc
Assam Consd. Tea Estates 6pcPf. 2.1pc
Assam Invests. 6pcPf. 2.1pc

Associated Book Publishers Db. 3½pc
Associated British Foods Db. 3¼pc
Associated Fisheries 6pcPf. 2.8pc. 4¾pc Pf. 1.6625pc
Associated Leisure Ln. 3½pc
Aurora Hldgs. Ln. 3½pc
Avana Group 7pcPf. 2.45pc
Avon Rubber 4.9pcPf. 2.45pc
Aylesbury Brew. Db. 2pc
B.P.B. Industs 5.6pcPf. 2.8pc. 5½pcPf. 1.925pc. Ln. 3½pc
B.T.R. Dbs. 3½ and 5¼pc. Ln. 5pc
BICC 6pcPf 2.1pc. 5½pcPf. 1.925pc. Db. 3½pc
BOC International 6½pcPf. 1.275pc. 5pc Pf. 1.75pc. 4pcPf. 1.4pc
BSG International Dbs. 3½ and 4½pc. Ln. 5½pc
Babcock and Wilcox Ln 3½pc
Bainbridge Eng. 1p
Bampton Prop. Group Dbs. 3¼ and 3½pc
Bampton Hldgs. Db. 4¼pc. Ln. 4½pc
Barlow Rand Unsec.Notes 3½pc. Unsec. Notes Cap. 3½pc
Barnet 13½pc Red. 1980 6¾pc. 14¼pc Red.Stk. 84-85 7pc
Barr and Stroud 6pcPf. 2.1pc
Barr and Wallace Arnold Tst. 4½pcPf. 2.25pc
Barranquilla Invests. Dbs. 2¼ and 3½pc
Barratt Developments Ln. 3¼pc
Barrow Hepburn Group Ln. 5½pc
Basingstoke 11¼pcBds. Red. 30 6 76 £5.8125
Bath and Portland Group Db. 3½pc
Bayer A.G. DM7
Beaver Group Ln. 4pc
Bell (Arthur) Sons 5½pcPf. 1.925pc
Bendix Corp. 43 cts.
Bermuda Elect. Light Db 3½pc
Bermuda Telephone Db. 3½pc
Bevan (D. F.) Ln. 4pc
Bibby (J.) and Sons 6pcPf. 1.95pc. Dbs. 2½ 2¾ and 5¼pc
Black and Edgington Ln. 4¼pc
Blackwood Hodge Ln. 4½pc
Blakey's (Malleable Castings) 6pcPf. 1.95pc
Boddingtons' Brews. Ln. 4¼pc
Bodycote International Ln. 4½pc Ln. 4½pc (Conv.)
Bolton 11½pcBd. Red 30 6 76 £5.8125
Border Brews. (Wrexham) Dbs. 2¼ and 3½pc
Boulton (William) Ln. 4¼pc
Bowater Corp. Ln. 3½pc
Bowring (C. T.) 7½pcPf 2.625pc. Ln. Stks. 2½ and 5 pc
Bowthorpe Hldgs. Ln. 3½pc
Bradbury Wilkinson 6pcPf 3pc
Bradford 11¼pcBds Red. 30 6 76 £5.8125
Bradford (Robt.) Hldgs. Ln. 5½pc
Braime (T. F. J. H.) 6pcPf. 2.1pc
Brascan Pf 3pc
Bridgewater Invest Tst Ln. 3½pc
Bridon Dbs. 4 and 5¼pc Ln. Stks. 3½ and 3½pc
Bridport-Gundry (Hldgs.) 6pcPf. 2.1pc

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Castle Point 11½pcBds. Red. 30 6 76 £5.8125
Central and District Props. Db. Stks. 3 3½pc
Central and Sherwood Ln. 5pc
Central Regional Council 11½pcBds. Red. 5 1 77 5¼pc
Central Wagon Ln 3½pc
Chamberlain Phipps 5½pcPf. 1.925pc. Ln 4½pc
Charlwood Alliance Hldgs. Db. 4½pc
Charnos 7pcPf. 2.275pc
Charnwood 11½pcBds Red 5 1 77 5¼pc
Chester 11½pcBds. Red. 5 1 77 5½pc
Chester Waterworks Db. 3¼ 4pc
Chesterfield Props. Db 3½pc
Chilian Northern Rly 1stMt.Db. 2½pc
Chloride Group Db 3½pc
Chubb Fire Security Db. 2½pc
Citicorp 24cts
City and Country Props Ln. 3pc
Civil Service Supply Assoc Db 2½pc
Clarke Chapman Db. 5pc Ln. 3.4 4.4p Ln. 3¼pc
Clay Cross Ln. 3½pc
Clay (Richard) 6pcPf. 2.1pc
Clayton Dewandre 6pcPf. 1.95pc
Clifford (Charles) Industs. 6pcPf. 2.1pc
Cliffords Dairies Db. 3½pc
Clyde Port Authority 3pcIrrd. 1½pc. 4pc Irrd. 2pc
Coats Patons 4pcPf. 1.3pc. 6pcPf. 2.25pc Ln. Stks 2¾ 3¼ 3¼pc
Cole (R. H.) Db 4½pc
Collins (William) Hldgs.) Db 3pc
Colman (E. Alec) Invsts. Db. 4½pc
Colmore Invst. Db. 3½pc
Colt Inds 50 cts
Coltness Gp. 0.739p
Commonwealth Development Finance 3½pc Db. 1983-86 2½pc. 7½pcDb. 1984-88 3½pc
CompAir Db. 3½pc
Concepcion (City of) (Chile) 5½pcLn. (now 3pc) 2¼pc
Conoco Ln. 3½ 4pc
Corning Db. 3½pc
Courage Db. 1½ 1¾ 2½ 3 3½pc
Crafton Combined Securities Db. 4½pc
Croda Oleochemicals 7pcPf. 2.45pc

Hall Thermotank Ln. 3pc
Hallam Group Notts 5¼pcPf. 2.8pc
Hallam Sleigh and Cheston 7pcPf. 2.45pc
Halma Ln 3½pc
Halstead (James) 5½pcPf. 1.925pc. Db. 3½pc
Hambros Invest Tst. Db. 2½pc
Hampson Industs. Ln. 4pc
Hanson Tst 7½pcPf. 2.625pc
Hardy (Furnishers) Db. 3½pc
Harris (L.) (Harella) 5pcPf. 1.75pc
Harrison and Sons Db 2¼pc
Harrisons and Crosfield 6½pcPf. 2.275pc
Harrow 11½pcBds. Red. 30 6 76 £5.8125
Hart 11½pcBds. Red. 5 1 77 5¼pc
Hartlepool 11½pcBds. Red 30 6 76 £5.8125
Hartlepools Water Db. 3pc. Db 4pc
Hartwells Group Ln 4½pc
Hawker Siddeley Group Dbs 3½ and 4¼pc
Hawkins Development Ln. 3½pc
Headlam Sims and Coggins 6pcPf. 2.1pc
Heal and Sons Hldgs. 6pcPf. 2.1pc
Heathcoat (John) Dbs. 2½ and 2½pc
Hellenic and General Tst. Db. 2½pc
Hepworth Ceramic Dbs. 3½ and 3½pc. Ln. 3½pc
Hertfordshire 11½pcBds. Red. 5 1 77 5¼pc
Hickson and Welch (Hldgs.) Ln 4¼pc
Higgs and Hill 7pcPf 2.45pc
Hill (Charles) Bristol 6pcPf. 2.1pc
Hill Thomson Db. 4pc
Hocroft Tst. 6pcPf. 1.95pc
Hoechst Finance Ln 5 and 5pc (with sub wts.)
Holliday (L. B.) (Hldgs.) 4½pcPf 1.375pc
Horlicks Db 2½pc
Hoskins and Horton Db. 3½pc
Hotel (York) 6pcPf 2.1pc
Hoveringham Group 7pcPf. 2.45pc. Db 3½pc
Hume Hldgs. Dbs 2½ (82-87) 2½ A (82-87) 3½ and 3½pc
Hunting Gibson 6pcPf. 2.1pc
Hutchinson 13pcPf. 3.5pc
Ibstock Building Products Db. 3½pc
Iceland Rep. of 6½pcStlg. 1983-88 (Res.) 3½pc. 6½pcStlg. 1983-88 (Br.) 3½pc

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SATURDAY, 3 JULY

DIVIDEND & INTEREST PAYMENTS—
Drayton Consd. Trust Deb. 2½pc
London Brick 1.59835p
Martin The Newsagent 1.99p

SUNDAY, 4 JULY

DIVIDEND & INTEREST PAYMENTS—
Midland Inds. 0.44p

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Engineer Offshore '76 (cl. July 2)	Great George St., S.W.1
To-day	American Furnishing Exbn. (cl. July 2)	U.S. Trade Center, W.1
June 30—July 1...	Royal Norfolk Agricultural Show	Norwich
July 1—4	Caravan and Leisure World '76	Blackpool
July 5—8	*Royal Agricultural Show*	*Kenilworth*
July 9—17	Ideal Home Exhibition	Huddersfield
July 15—17	BMA Pharmaceutical Exhibition	Bloomsbury Centre, W.C.1
July 16—24 ...	Brighton Antiques Fair	Corn Exchange, Brighton
July 18—20	Hairdressers and Beauticians Trade Fair	Royal Lancaster Hotel, W.2
July 18—22	Harrogate Gift Fair	Harrogate
July 20—22	Royal Welsh Show	Builth Wells
July 25—Aug 1 .	International Cycle Show	Harrogate
July 30—Aug. 1	Gt. Britain Radio Society Exhibition	Alexandra Palace

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Trade Fair (cl. July 10)	Tel Aviv
Current	International Home Fair (cl. July 4)	Naples
June 29—July 2 ..	Danish Agricultural Exhibition	Herning
July 1—6	Zambia International Trade Fair	Ndola
July 1—15	Malta International Fair	Naxxar
July 4—8	International Catering Trade Fair	Sydney
July 6—9	Safety, Security and Fire Prevention Exhibition	Dublin
July 11—23	Photogrammetry Exhibition and Congress	Helsinki
July 12—16	National Housewares Exhibition	Chicago
July 17—25	National Boat Show	Melbourne
July 21—25	Int. Sports Equipment and Leisure Goods Exhn.	Singapore
July 24—28	International Jewellery Trade Fair	New York
July 25—31	Int. Biochemical Exbn. & Congress	Hamburg
July 31—Aug 8	International Arts and Antiques Fair	Helsingborg

BUSINESS AND MANAGEMENT CONFERENCES

June 29	Assoc. Certified Accountants: Tax Planning	Bonnington Hotel, W.C.1
June 29	InComTec: Dismissal Law and Practice	Hilton Hotel, W.1
June 29—30	Imp. College: Distribution Management Science	Imperial College, S.W.7
June 30	BIM: Legal Protection for Employees	Bramhope, Nr. Leeds
July 1	I.B.A.: Exec. Remuneration and Fringe Benefits	Hilton Hotel, W.1
July 4—8	ICMA: Physical Distr. Man. & Accountancy	North London Polytechnic
July 5—7	IPM: Manpower Planning in Practice	Whites Hotel, W.2
July 5—8	Bradford Univ.: Sales Management Programme	Norfolk Gdns. Htl., Bradford
July 5—9	H. Mitchell: Motivation, Incentives and Communctn.	Beeston, Nottingham
July 5—9	Urwick: Finance for the Non-Fin. Executive	Urwick Centre, Slough
July 6	Nottingham Univ.: Investment Decision Making	Nottingham
July 6—7	Financial Times and Investors Chronicle: The Outlook for Commodities	Royal Lancaster Hotel, W.2
July 6—7	Gastech: Roll-on/Roll-off Marine Transport	Hilton Hotel, W.1
July 7	Arabian Marketing: Selling to Magreb and Libya	Cafe Royal, W.1
July 8	ICHCA: Cargo Security-Pilferage to Crime	Cafe Royal, W.1
July 8	Interface: Man. Finance for Non-Acc. Execs.	Post House, Reading
July 8—9	Financial Times: Nuclear Power and the Public Interest—the Implication for Business	Royal Lancaster Hotel, W.2
July 12—16	Abraxas: Synetics-Problem Solving and Managing	68, Churchway, N.W.1
July 13—15	Financial Times, Investors Chronicle: Finance and Scotland	Aberdeen University
July 14	LCCI: Australia—Industrial Opportunities	69, Cannon Street, E.C.4
July 14	Economic Models: Europe, U.S. and Japan to 1981	30, Old Queen St., S.W.1
July 15	Henley Centre: World Energy & the Oil Producers	Carlton Tower Hotel, S.W.1
July 19—20	BIM: Management Accounting for Non-Fin. Mngrs.	Management House, W.C.2
July 19—21	Guardian: Practical Statistics for Non-Specialists	St. Ermin's Hotel, S.W.1
July 19—23	P-E Cons. Group: Advanced Teaching Methods	Training Centre, Egham
July 20—21	WTI: Platon Industrial Relations Exercise	World Trade Centre, E.1
July 21—24	Br. O'seas Trade Board: Developing O'seas Trade	Henley
July 27	Oyez: Exchange Control	Royal Lancaster Hotel, W.2

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Campaign against motorways moves to Winchester

BY KEVIN DONE, INDUSTRIAL STAFF

A GROWING campaign against motorway building programmes will continue to-morrow at two inquiries, one at Winchester Guildhall and the other at the Methodist Church Hall in the Warwickshire village of Water Orton.

New procedural rules for highway inquiries, issued last month by the Lord Chancellor after consultation with the Council on Tribunals, will not be in force at Winchester or Water Orton. The new procedures apply only to inquiries of which formal notice was given after June 10.

An investigation of highway inquiry procedures has been undertaken by the Government. Alongside this undertaking there have been noisy disruptions, the ejection of demonstrators by police and the enforced postponement of proceedings at previous inquiries; at Shipley, West Yorkshire — over proposals for a £35m. four-lane road through the picturesque Aire Valley — and at Hornchurch, Essex — over a proposed nine-mile stretch of the M25.

In the face of well organised campaigning, which has attracted the national spotlight, the Department of the Environment has reacted with more than a little bewilderment and confusion as to how these "exercises in consultation" should be conducted.

At Water Orton the inquiry concerns proposals for a nine-mile stretch of the M42 (Birmingham to Nottingham) motorway. Caught tightly between the proposed M42 and the M6, the village is also dominated by a power station and a major sewage works.

But the Winchester inquiry into a ten-mile stretch of the M3 promises to give the Department a much tougher ride. The fight will follow the style of Mr. John Tyme, a lecturer in environmental studies at Sheffield Polytechnic, who rose to prominence during the campaigns at Aire Valley and Hornchurch.

Local inquiries

Objectors at Winchester have already been in contact with Mr. Tyme and attended the inquiry at Hornchurch. Their main tactic has been to try to air grievances about the broad outlines of national transport policy at what the Department regards as local inquiries about local issues.

The objectors share many grievances about the way inquiries are conducted and the lack of influence that they feel affects local protest.

The Department is still trying to find a solution, but its review of inquiry procedure is not expected to be finished until the end of the year. Meanwhile, it is having difficulty in deciding how far, if at all, it is legitimate to allow discussion of national policies to intrude into "local inquiries."

It is also considering how much information should be disseminated before inquiries, and how it should be done.

Other questions are over the appointment of inquiry inspectors and how inquiries should be run. One proposal being considered by the Department is for the setting up of "pre-inquiry procedure," under which objectors would be streamlined. Those voicing the same grievance might well be represented by one person, rather than appearing as individuals.

But time and again the Department comes back to the question of cost and the expense of mounting the growing numbers of "exercises in democracy." It is constantly recalled that the first stretch of the M1 to Birmingham was built without a single public inquiry.

Earlier days

It is regretted that the atmosphere of public inquiries has become formal and legalistic, unlike the more relaxed sessions of earlier days. And the Department is concerned that genuinely local protest may be lost in the welter of general protest at motorway programmes and transport policy.

Between 13 and 14 years often *elapse from the time a motorway* is first suggested to its completion, with costs escalating annually under the effects of inflation.

There are doubts too about the cost-effectiveness of consultation procedures with local communities, when plans are first published.

The Department claims that only about 1 per cent. of those affected in any area ever bother to answer questionnaires. With such little return, each reply costs £5 on average.

The greater the period between draft proposal and implementation, the greater the risk of prolonged planning blight and the smaller the output of engineering staff.

More and more the Department feels engineers are not designing, but preparing for inquiries and setting out alternative schemes.

The objectors clearly want fair rules for those affected by new roads to fight by, an aim of local democracy the Department doubtless supports. But there is little agreement on what the appropriate forum is for such a fight and what its code of conduct should be.

Winchester and Water Orton will provide few guidelines for the future, but at least they will probably be the last fights under the old rules.

Mountbatten to launch Midlands Export Year

BY OUR MIDLANDS CORRESPONDENT

BRITAIN'S export drive will receive a stimulus when Sir Frederick Catherwood, chairman of the Overseas Trade Board, and Earl Mountbatten visit the Midlands to inaugurate Export Year to-morrow and on Wednesday.

After visiting companies with outstanding export records, they will be the principal speakers at an "export dynamics" conference in Birmingham being attended by more than 300 Midlands industrialists.

Earl Mountbatten, for whom telecommunications holds a special interest, will be visiting the Coventry works of GEC, the country's biggest electrical and electronics group which employs 22,000 people at 14 factories.

Thalidomide allegations denied by Powell

Financial Times Reporter

MR. ENOCH POWELL, Minister of Health at the time of the thalidomide tragedy, yesterday denied allegations he had accepted too readily claims by the marketing company that it had done everything possible to ensure the drug was safe and that no-one was to blame for what happened.

Mr. Powell was commenting on BBC radio about suggestions in The Sunday Times that he had favoured the Distillers Company—who marketed thalidomide—when parents of children deformed by the drug were claiming compensation.

He denied that his Ministry took a hostile attitude towards the claims made against Distillers and said that the Government "quite clearly" could not intervene in private cases between individuals.

"The Minister and, therefore, the Ministry, can have and must have no responsibility for prescription.

"Judgment as to whether a drug ought to be prescribed at all or whether it is toxic in certain circumstances is not the responsibility of the Ministry.

"If the Ministry were responsible for prescribing he would have to control every prescription. It is a fundamental element in the National Health Service that while the Minister is responsible for the provision of facilities and treatment, he is in no way responsible for medical judgment."

While he agreed that the Ministry ought to be responsible for the control of harmful substances, it could not use its own judgment but must rely on medical advice. It was a question [illegible]

[illegible]

Problems facing lonely women

THE PROBLEMS [illegible] 310,000 [illegible]

[illegible]

هكذا من الأصل

A copy of this Offer for Sale, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration. Application has been made to the Council of The Stock Exchange for the whole of the issued Ordinary share capital of the Company to be admitted to the Official List.
This document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.
The Application List for the Ordinary shares now offered will open at 10 a.m. on Thursday, 1st July, 1976 and will close on the same day.

LEECH

LEECH

William Leech (Builders), Limited

(Incorporated in England under the Companies Act 1929; registered No. 361750)

Share Capital

Authorised		*Issued and fully paid*
£3,000,000	in 15,000,000 Ordinary shares of 20p each	£2,400,000

The Company and its subsidiaries have bank overdrafts which at 28th May, 1976 amounted in the aggregate to £2,595,822, of which £2,173,727 was secured. In addition the Company has a secured loan of £450,000, £150,000 of which is repayable by three annual instalments of £50,000 each commencing on 28th October, 1976 and the balance of £300,000 on 28th October, 1979. A subsidiary has a secured loan of £500,000 which is repayable at its option in 1977 and otherwise between 1978 and 1982. At 28th May, 1976, the Company had a contingent liability under a guarantee given in respect of indebtedness of an associated company, Cramlington Investments Limited, totalling £250,000. The Company has a secured obligation by way of deferred purchase consideration in respect of land of £575,925 payable over six years. Save as mentioned above and apart from inter-company transactions neither the Company nor any of its subsidiaries has outstanding any loan capital, mortgages or charges, borrowings or indebtedness in the nature of borrowings (including bank overdrafts and liabilities under acceptances, trade bills and acceptance credits), hire purchase commitments or, other than in the ordinary course of business, guarantees or other material contingent liabilities.

J. Henry Schroder Wagg & Co. Limited

Offer for Sale

4,700,000 Ordinary shares of 20p each at 64p per share

Payable in full on application

The Ordinary shares now offered will rank in full for all dividends hereafter declared or paid on the Ordinary share capital of the Company.

ocedure for Application

Applications must be made on the Application Forms provided and, except in the case of applications m employees of the Company or of its subsidiaries, must be for a minimum of 200 shares or for the lowing multiples of shares:—

Applications for not more than 1,000 shares	in multiples of 100 shares
Applications for over 1,000 shares and not more than 5,000 shares ..	in multiples of 500 shares
Applications for over 5,000 shares	in multiples of 1,000 shares

Preferential consideration will be given to applications received from employees of the Company or of subsidiaries up to a total of 400,000 shares if made on the special pink application forms available to m. Such applications must be for a minimum of 50 shares or for multiples thereof.

Each Application Form must be accompanied by a separate cheque for the full amount payable and ist be forwarded to Lloyds Bank Limited, Issue Department, P.O. Box No. 257, 51 Gracechurch Street, ndon, EC3P 3DD. Cheques must be drawn on a bank or branch thereof in England, Scotland or Wales d must be payable to "Lloyds Bank Limited" and crossed "Not Negotiable". All cheques may be preted for payment on receipt. Completion and delivery of an Application Form accompanied by the cessary cheque will constitute an undertaking that the cheque will be honoured on first presentation and ention is drawn to the declaration in the Application Form to the effect that the applicant understands s to be the case. If any application is not accepted the amount paid on application will be returned in full d if an application is accepted for fewer shares than the number applied for the balance of the amount id on application will be returned, in each case by cheque through the post at the applicant's risk. The ht is reserved to reject any application or to accept any application in part only and in particular to reject ltiple or suspected multiple applications.

Arrangements have been made for the registration by the Company of the shares now offered, free of mp duty and registration fees, in the names of the purchasers or of the persons in whose favour Letters Acceptance have been renounced, provided that, in cases of renunciation, Letters of Acceptance duly mpleted in accordance with the instructions contained therein are lodged for registration not later than o p.m. on 20th August, 1976. Share Certificates will be despatched on or before 17th September, 1976.

Acceptance of applications (including underwriting applications) will be conditional upon the Council The Stock Exchange granting not later than 9th July, 1976 a listing for the whole of the issued Ordinary are capital of the Company. Moneys paid in respect of all applications will be returned if a listing is not anted by that date and in the meantime will be retained by Lloyds Bank Limited in a separate account.

Copies of this Offer for Sale with an Application Form may be obtained from:—

J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London, EC2V 6DS.

Rowe & Pitman, Hurst-Brown,
City Gate House,
39–45 Finsbury Square, London, EC2A 1JA.

Wise, Speke & Co.,
Commercial Union House,
39 Pilgrim Street, Newcastle upon Tyne, NE1 6RQ.

Lloyds Bank Limited,
Issue Department, P.O. Box No. 257,
51 Gracechurch Street, London, EC3P 3DD.

Lloyds Bank Limited,
6–17 Collingwood Street,
Newcastle upon Tyne, NE99 1RH.

Barclays Bank Limited,
City Office, Collingwood Street,
Newcastle upon Tyne, NE99 1DA.

Bank of Scotland,
56 Shandwick Place, Edinburgh, EH2 4SB.

Directors

William Charles Leech (*President*),
High House, Morpeth, Northumberland.

John Adamson (*Chairman*),
Wansdyke House, Morpeth, Northumberland.

John Richard Adamson, F.C.A. (*Managing Director*),
Moorfield, Causey Hill, Hexham, Northumberland.

Peter Michael Milburn (*Deputy Managing Director*),
Westwood House, Ebchester, Co. Durham.

John Livingston, A.C.C.A., A.C.I.S., 33 Wansdyke, Morpeth, Northumberland.

Secretary and Registered Office
John Livingston, A.C.C.A., A.C.I.S.,
City House, 1–3 City Road, Newcastle upon Tyne, NE99 1PG.

Bankers
Lloyds Bank Limited,
6–17 Collingwood Street,
Newcastle upon Tyne, NE99 1RH.

Barclays Bank Limited,
City Office, Collingwood Street,
Newcastle upon Tyne, NE99 1DA.

Bank of Scotland,
56 Shandwick Place, Edinburgh, EH2 4SB.

Receiving Bankers to the Offer for Sale
Lloyds Bank Limited,
Issue Department, P.O. Box No. 257, 51 Gracechurch Street, London, EC3P 3DD.

Solicitors
To the Company:
Dickinson Dees & Co.,
Cross House, Westgate Road,
Newcastle upon Tyne, NE99 1SB

To the Offer:
Slaughter and May,
35 Basinghall Street,
London, EC2V 5DB.

Auditors and Reporting Accountants
Price Waterhouse & Co., *Chartered Accountants*,
51 Mosley Street, Newcastle upon Tyne, NE99 1PL.

Brokers
Rowe & Pitman, Hurst-Brown,
City Gate House,
39–45 Finsbury Square, London, EC2A 1JA.

Wise, Speke & Co.,
Commercial Union House, 39 Pilgrim Street,
Newcastle upon Tyne, NE1 6RQ.

Registrars and Transfer Office
Lloyds Bank Limited,
Registrar's Department, Goring-by-Sea, Worthing, West Sussex, BN12 6DA.

hairman's Letter

The following is a copy of a letter to J. Henry Schroder Wagg & Co. Limited from Mr. Adamson, Chairman of William Leech (Builders), Limited:—

CITY HOUSE, 1–3 CITY ROAD,
NEWCASTLE UPON TYNE, NE99 1PG.
25th June, 1976.

he Directors,
J. Henry Schroder Wagg & Co. Limited.

entlemen,

In connection with the Offer for Sale of 4,700,000 Ordinary shares of 20p each in William eech (Builders), Limited ("the Company") I am writing to give you information concerning ne Company and its subsidiaries ("the Group").

History and Business

The Group is currently building housing units (houses or low-rise flats) for owner occupation n thirty-six estates in the North East of England, Scotland and the Midlands, and is also uilding housing units on contract for four local authorities.

The business of the Company was started by Mr. William Leech on Tyneside in 1932 and ithin five years he was building houses at the rate of 500 a year. Shortly after the outbreak of ar housebuilding operations were suspended and on 10th June, 1940 the Company was corporated to acquire the assets and liabilities of Mr. Leech's business, Mr. Leech being the hairman and principal shareholder.

Immediately following the war there were severe restrictions on the building of private uses and the Company started to build houses and flats for local authorities in the North East England. As the restrictions were lifted during the early 1950s the Company progressively turned to the business of private house building which, by the late 1950s, had again become its edominant business.

At the present time the Company is building housing units for owner occupation on nineteen tates in North East England and Cumbria. The Company also undertakes, on contract, houseilding for local authorities and housing associations and is currently undertaking work for ree local authorities at the rate of approximately 500 housing units per annum.

Expansion outside North East England started in 1968 when the Company acquired all the sued capital of Williamson Construction Limited, a housebuilding company operating from alkirk, Stirlingshire. In 1975 the name of this company was changed to Leech Homes (Scotland) imited ("Leech Homes"). At the time of acquisition Leech Homes had a building programme about twenty houses a year. Since then, it has pursued a vigorous policy of land acquisition d is now building on eleven estates in Scotland. The Directors believe that Leech Homes has come a major housebuilder in the private sector in Scotland where hitherto the proportion of rivate housing has been much lower than the national average.

In 1970 the Company acquired all the issued capital of Wilkinson & Houghton Limited "Wilkinson") which carried on a long-established building and contracting business based in rimsby, South Humberside. At the time of its acquisition, Wilkinson was engaged on contract ork in factory and similar developments. Since then the contracting side of Wilkinson has been ntinued and housebuilding was started shortly after acquisition.

The Group's activities were further extended when, in 1973, another subsidiary, William eech (Midlands) Limited ("Midlands"), acquired land for housebuilding, and in 1974 took er the housebuilding activities of Wilkinson. Midlands is currently developing six estates for wner occupation and one for a local authority.

The Group has twenty types of private house design and three types of flat. In the main ices range from £7,000 to £21,000, the majority of sales being in the bracket £8,000 to £11,000. n addition, a small development is taking place at Gosforth, Newcastle upon Tyne, of housing nits in the price range of £15,000 to £40,000. All the Group's private housing units carry the n year guarantee of the National House-Building Council.

The numbers of private housing units built and sold by the Group for owner occupation and e numbers of public sector housing units built for local authorities and housing associations uring the last five financial years are as follows:—

Year to end February	*Private housing units built and sold* *Houses*	*Flats*	*Public sector housing units built*	*Total*
1972	1,158	429	365	1,952
1973	1,354	534	169	2,057
1974	1,164	348	147	1,659
1975	1,076	331	47	1,454
1976	1,441	319	309	2,069

The greater part of the building work is carried out by the Group's own work force. It has s own organisation and the necessary heavy plant and equipment for constructing estate roads nd services. For the most part, the Group does its own bricklaying, joinery, plastering, plumbing, lectrical work, tiling and painting. It has its own joinery manufacturing subsidiary, North East oinery Company Limited, which makes stairs, door and window frames and kitchen fitments, he whole of its output being used within the Group. The Group buys its building materials om a number of suppliers, none of whom accounts for more than 15 per cent. of purchases.

The Group enjoys close and friendly relations with the Building Societies in its areas of peration.

The Group holds certain properties for investment purposes and for its own occupation, the ajority of which are now held by a wholly-owned subsidiary, St. James Properties (Newcastle) imited. These properties were valued as at 29th February, 1976, in a valuation separate from he main land valuation referred to below, by Storey Sons & Parker, Chartered Surveyors, at 1,335,900 compared with their book value at that date of £956,824.

It will be seen from the Accountants' Report set out below, that in the five years ended 9th February, 1976 the Group's turnover has increased from £8,194,000 to £17,104,000 and the roup's profit before tax has risen from £998,000 to £2,601,000.

Housebuilding Land

All land with detailed or outline planning permission on which housing units for owner ccupation remained to be built or completed by the Group as at 29th February, 1976, including nd acquired after that date, is referred to in this letter as "housebuilding land".

As can be seen from the land valuation referred to below the Group owns or has available to t an aggregate of 1,399.6 acres of housebuilding land, estimated to be sufficient for the contruction of 12,468 housing units.

Of these 1,399.6 acres, 913.1 acres, estimated to be sufficient for the construction of 7,345 ousing units, have been acquired independently by the Group and 486.5 acres, estimated to be ufficient for the construction of 5,123 housing units, are the subject of the agreements with William Leech (Investments) Limited ("Leech Investments") described in the Appendix o this letter.

Leech Investments is a property investment company formed by Mr. Leech in 1953 which cquired by way of investment substantial amounts of land with development potential. This ompany is not part of the Group. In 1955 Mr. Leech gave its entire share capital equally to the British & Foreign Bible Society, the Church Missionary Society, the Methodist Missionary Society, the Salvation Army and the Society for Promoting Christian Knowledge ("the Five Charities"). Each of the Five Charities has had a representative on the Board of Leech Investments since February, 1973, and Mr. Leech, Mr. J. R. Adamson, Mr. Milburn and I are also directors. It is not intended that any further land will be acquired from Leech Investments.

Land without Planning Permission

In addition to the housebuilding land, the Group owns or has contractual interests in a further 3,944.9 acres for which no planning permission has yet been obtained, but in respect of some of which, in the opinion of the Directors, planning permission should one day be obtained. Of these 3,944.9 acres, 2,696.0 acres have been acquired since 29th February, 1976.

Land Valuation

Storey Sons & Parker have made a valuation ("the land valuation") of the Group's interest in its housebuilding land held at 29th February, 1976 (schedule 1), of the Group's interests in land held at that date with a view to obtaining planning permission for residential development but in respect of which no planning permission had been obtained (schedule 2) and of land, both with and without planning permission, acquired by the Group since 29th February, 1976 (schedule 3). The land valuation has been made at open market value as at 29th February, 1976 based on market conditions as at that date. In the statement of net tangible assets, set out in the Accountants' Report, the Group's interest in land for development is stated at the lower of cost and net realisable value in the normal course of business, virtually the whole being stated at cost.

It will be seen that the aggregate total of the land valuation amounts to £10,642,475.

On the basis of the land valuation, land held at 29th February, 1976 shows a surplus over book value of £4,714,000 made up as follows:—

	£'000	£'000
Valuation of land held by the Group at 29th February, 1976		9,245
Less: Book value of land for development as at 29th February, 1976, as shown by the Accountants' Report	4,368	
Amounts subsequently agreed to be payable to vendors	163	
		4,531
Surplus arising on land		4,714

No provision has been made for the tax which will arise on the realisation of this surplus.

Community Land Act 1975 and Development Land Tax

The Community Land Act 1975 came into effect on 6th April, 1976 in England and Wales and is due to come into effect in Scotland on 1st September, 1976. From these dates local and certain other authorities ("local authorities") have enhanced powers of compulsory acquisition of land for the purposes of development.

As from a future unspecified date, local authorities will have a duty to acquire all land for development other than excepted land, and as from then (with limited exceptions which are expected only to affect the Group marginally, if at all) there will be no housebuilding except upon land which is either owned by local authorities or has been through local authority ownership and passed on by them for housebuilding by way of sale or lease. This duty will be gradually imposed, area by area. After it applies to the whole of Great Britain, acquisitions will be at a price which excludes any increase in the value of land attributable to development.

Certain developments are, however, excepted from the normal scope of the Act, of which, for present purposes, the most important are:—

(a) any development the carrying out of which is authorised by planning permission granted on or before 12th September, 1974; and

(b) any development consisting wholly or *mainly* of the building of dwelling-houses or industrial buildings on any land so long as the freehold of that land has been owned by a builder or developer of residential or industrial property (though not necessarily the same builder or developer) since 12th September, 1974 and due notice is given in the appropriate form.

The Bill setting out the Government's proposals for Development Land Tax was published at the end of February, 1976 and is expected to be enacted in time for the tax to come into force on 1st August, 1976. The purpose of the Bill is to take one element of the profit out of the development of land by imposing a tax on the increase in value of the land attributable to development. Under the present proposals the initial rate is to be 80 per cent. with total exemption from this tax for the first £10,000 of development value realised by a company in any year ending on 31st March and a reduced rate of 66⅔ per cent. on the first £150,000 of development value (over £10,000) realised in any year up to and including the year ending 31st March, 1979. The Government has announced its intention ultimately to increase the rate to 100 per cent. by the time the Community Land Act imposes the duty mentioned above upon all local authorities to acquire all development land. This tax will become payable on all material developments (and the Group's housebuilding activities will qualify as material development) which are not commenced before 1st August, 1976, save that land which was owned as stock in trade on 12th September, 1974 and had planning permission on that date, should not be subject to this tax.

The effect of the Community Land Act on the Group's existing holdings of land is not expected to be significant because virtually all the housebuilding land, as opposed to the land without planning permission, has subsisting planning permissions obtained before 12th September, 1974 and the greater part of it has also been owned by a residential developer since that date.

On the basis of the present Bill, we believe that the effect of the Development Land Tax on the Group's profits for the next four years should be small because of the total of 1,399.6 acres of housebuilding land development has been commenced on 867.3 acres and a further 357.2 acres qualify for exemption as being land owned with planning permission for development as stock in trade on 12th September, 1974. These lands, therefore, provide a total of 1,224.5 acres which are estimated to be sufficient for 11,005 housing units.

In the longer term, if the Community Land Act and the Development Land Bill remain in their present form, it is expected that the greater part of the land on which the Group erects private housing units will be acquired from local authorities at prices which will ensure that the only profits the Group makes will be from its building operations. This is not something which we view with pessimism because, although it is difficult to gauge precisely the element of the Group's profits attributable to the rise in land values, we consider that in the last two completed financial years, in any event, the Group's profits have not been, to any substantial extent, dependent upon increases in land values.

Associated Companies

The Company and Bellway Holdings Limited ("Bellway Holdings"), a listed company, each own, directly or indirectly, half of the Ordinary share capital of Cramlington Investments Limited ("CIL"), Cramlington Developments Limited ("CDL") and Leebell Investments Limited ("Leebell"). Voting control is shared equally between the Company and Bellway Holdings, with provision for an independent casting vote in the event of deadlock.

Cramlington is a village eight miles north of Newcastle where a new town is being developed in conjunction with the Northumberland County Council and the Blyth Valley District Council. In 1962 the County Council designated the area of the new town as a Comprehensive Development Area. It is intended that this new town when fully developed will include an industrial estate of some 650 acres, a town centre with shopping and office facilities, and residential accommodation for a population of over 60,000 (presently approximately 25,000) together with schools and other amenities.

CIL is a property investment company which owns the freehold of 42 acres in the middle of Cramlington New Town which have been designated as the town centre. To date, 87,000 square feet of shopping space and 21,000 square feet of office space have been built by outside contractors for CIL and have been let. Ultimate totals of approximately 500,000 square feet of shopping space and approximately 250,000 square feet of office space are planned.

CDL provides on a no profit and no loss basis roads, drainage and similar construction work required to service developments carried out by the Company and Bellway Limited ("Bellway"), a subsidiary of Bellway Holdings, at Cramlington.

Leebell has an option to acquire from Leech Investments commercial sites away from the town centre in the residential areas of Cramlington and it is intended that it shall develop and retain such sites.

The Company owns 20 per cent. of the Ordinary share capital of West European Building Corporation Limited ("Webco"). Initially, Webco's principal business was the acquisition of large blocks of land, in respect of which no planning permission had been granted, in areas where there were good communications, with a view to obtaining planning permission. Since 1974 Webco has disposed of some of its land holdings and has concentrated on building activities.

Working Capital

The Directors are of the opinion that, taking into account the available bank facilities, the resources of the Group will be sufficient to provide its present requirements for working capital.

Management and Employees

Mr. William Leech (seventy-five) has been a Director since the incorporation of the Company. He was Chairman until March, 1973 when he accepted the title of President. I am sixty-eight and, having joined Mr. Leech in 1936, I became Managing Director in 1960 and have been Chairman since March, 1973. Mr. J. R. Adamson (thirty-four), my son, is a Chartered Accountant and joined the Company in 1967, was appointed to the Board in 1968 and as Managing Director in 1973. Mr. Milburn (thirty-six) joined the Company in 1956, was appointed to the Board in 1967 and as Deputy Managing Director in 1973. Mr. Livingston (sixty-one) is the Company Secretary; he joined the Company in 1946 and was appointed to the Board in 1972. Mr. J. R. Adamson, Mr. Milburn and Mr. Livingston have entered into service agreements (contracts (4) to (6) below).

During the forty years that I have been connected with the Group a sound management structure has been built up. In addition to the main Board the Group is managed by divisional or local company boards in its areas of operation. Excluding the members of the main Board there are sixteen executives (whose average age is fifty) all of whom are capable and experienced.

The Group employs a total of approximately 2,100 people, of whom about 1,900 are engaged in working on the building sites or ancillary work and 200 in administration. Relations with the employees are good.

Dividend Policy based on the Profits for the Year Ended 29th February, 1976

It is proposed that in respect of each financial year an interim dividend will be payable about December and a final dividend about the following August. It is expected that the payment of such dividends will commence with the interim dividend payable about December, 1976 in respect of the financial year ending 28th February, 1977.

On the basis of the Group's profit before taxation of £2,601,000 for the year ended 29th February, 1976, and assuming a corporation tax rate of 52 per cent. it would be the Directors' intention to recommend total dividends of 5p per share of which 2.5p per share would be payable as an interim and 2.5p per share as a final dividend. The amount payable to shareholders in respect of a full year of 5p per share together with the current imputed tax credit represents gross dividends of 7.69p per share.

The following table illustrates how Group profits of £2,601,000 before taxation would be dealt with assuming a corporation tax rate of 52 per cent.:—

	£'000
Profit before taxation	2,601
Less: Corporation tax at 52 per cent.	1,353
Profit attributable to shareholders	1,248
Less: Dividends on 12,000,000 shares of 20p each	600
Retained profits	648
Earnings per share	10.4p

On this basis and at the Offer price of 64p the shares would give an effective gross dividend yield of 12.0 per cent., the price earnings ratio would be 6.15 and dividends totalling 5p per share would be covered 2.08 times by earnings.

Current Trading and Prospects

At the present time the housebuilding trade in our areas of operation continues to show welcome signs of increased activity. Mortgage finance, whilst not plentiful, is sufficient to cope with the demands of the Group's customers and at 12th June, 1976 reservations for housing units were 1,041 compared with 938 at the same time in the previous year, an increase of 11 per cent.

Although the building industry has always been cyclical, the Group's profits before taxation over the last five years illustrate the Board's ability, not only to contain fluctuations in trade but also to improve results when the economy in general and the housebuilding industry in particular have been in recession. Over those five years the Group's profits before taxation have risen from £998,000 to £2,601,000. In a relatively short period of time the Group's management has succeeded in establishing new operations in parts of the country away from its original base on Tyneside. The Directors intend to pursue their policy of continued expansion for the Group, both through internal growth and the acquisition of suitable land and companies as and when opportunities arise.

Yours faithfully,
J. ADAMSON, *Chairman.*

APPENDIX
AGREEMENTS WITH LEECH INVESTMENTS

Housebuilding land at Cramlington

In the late 1950s Leech Investments acquired substantial amounts of land in the vicinity of Cramlington and since 1960 agreements have been in force between Leech Investments, the Company and Bellway relating to such land. Under these agreements Leech Investments undertook to allocate to the Company and Bellway in equal shares all its land designated for residential development within the area of Cramlington New Town and by 29th February, 1976 the Company had developed approximately 170 acres and had completed and sold approximately 2,200 housing units.

The current agreement dated 24th October, 1968, together with the related leases described below are referred to as "the Cramlington Agreements" (contracts (9) and (8) below). At 29th February, 1976, the Company held 19.9 acres on 99 year leases granted by Leech Investments and on 5th April, 1976, further leases were granted of 35.7 acres to the Company and 201.5 acres to the Company and Bellway jointly. Upon obtaining detailed planning permission the Company and Bellway are obliged to divide the 201.5 acres as to 91.2 acres to the Company and 110.3 acres to Bellway. No further land at Cramlington remains to be allocated to the Company or Bellway under the Cramlington Agreements.

Under the Cramlington Agreements ground rents of nominal amounts are payable to Leech Investments until housing units have been erected or until the date (not being less than 3 years after division) upon which the development of each housing unit site could have reasonably been completed and thereafter at an amount to be settled, in default of agreement, by an independent surveyor on the basis of the general level of ground rents prevailing for comparable sites in the Tyneside area but not to be so high as to be calculated to depress the sales of housing units by the Company or Bellway.

As from 29th February, 1976 the Company had available to it 146.8 acres of housebuilding land subject to the Cramlington Agreements, estimated to be sufficient for the completion and sale of 1,955 housing units.

Other land

Between 1953 and 1972 the Company built substantial numbers of housing units on other land owned by Leech Investments which then granted to the purchasers 99 year leases, reserving to Leech Investments ground rents which reflected the capital value of the land. By the end of 1971 land values had risen to such an extent that it was no longer practicable to reserve ground rents commensurate with the value of the land. Accordingly from 1st March, 1972 new arrangements were made whereby Leech Investments continued to grant to the Company's house or flat purchasers 99 year leases, reserving annual ground rents ranging between £15 and £35 per housing unit, but the Company also paid to Leech Investments agreed sums ranging between £50 and £400 by way of access payments in respect of each housing unit which it built on Leech Investments' land.

Following the same principles, Leech Investments entered into agreements dated respectively 14th February, 1974 ("the February Agreement") and 10th September, 1974 ("the September Agreement"), (contracts (10) and (3) below) to grant to the Company 99 year building leases of 18 areas of housebuilding land amounting to approximately 492 acres in total. All these leases have now been granted at nominal ground rents until housing units have been erected upon the land or until 21st February, 1979 (under the February Agreement) or 21st February, 1984 (under the September Agreement), in either case whichever is the earlier, and thereafter at ground rents ranging between £15 and £35 per annum for each housing unit, with provision for higher ground rents if at the time the housing units have been erected the then current level of ground rents for that type of housing unit exceeds the range stipulated above. The February Agreement specifies access payments to be made by the Company ranging between £125 and £555 for each housing unit built upon 13 of the areas whilst the September Agreement dealing with the remaining 5 areas does not specify the amounts of the access payments but provides for them to be fixed by a chartered surveyor in default of agreement as being the amounts which represent 90 per cent. of the open market value of each area after deducting the capitalised value of the ground rents payable.

Under these agreements the Company is to undertake development with all due speed and to the extent that any access payments have not been made by the end of February, 1979 under the February Agreement and February, 1984 under the September Agreement the respective balances will then fall due regardless of whether or not development has been completed.

The total acreage remaining to be developed under these agreements as at 29th February, 1976 was 369.7 acres, of which 303.2 acres are subject to the February Agreement and 66.5 acres to the September Agreement. It is estimated that this land, exclusive of 30.0 acres for which planning consent has not yet been obtained, will provide 3,168 housing units for completion and sale after that date.

LEECH

William Leech (Builders), Limited CONTINUED

Accountants' Report

The following is a copy of a report from Price Waterhouse & Co., the Company's Auditors and Reporting Accountants:—

[illegible] Mosley Street,
Newcastle upon Tyne,
NE99 1PL.
25th June, 1976.

The Directors,
WILLIAM LEECH (BUILDERS), LIMITED.

The Directors,
J. HENRY SCHRODER WAGG & CO. LIMITED.

Gentlemen,

We have examined the books and accounts of William Leech (Builders) Limited ("the Company") and its subsidiaries for the periods relevant to this report. All of these companies are collectively referred to as "the Group".

In our opinion the accounts and notes set out below which are based on the audited accounts and which have been prepared under the historical cost convention:—

(1) give a true and fair view of the profits and sources and application of funds of the Group for the five years ended 29th February, 1976, and of the state of affairs of the Company and of the Group at that date; and

(2) fairly summarise the state of affairs of the Group as at the end of February in each of the six years ended 29th February, 1976.

No accounts for submission to members have been prepared since those for the year ended 29th February, 1976.

Accounting Policies

The significant accounting policies adopted in arriving at the financial information set out in this report are as follows:—

(1) Profit-taking and turnover
Profits on sales of houses and flats are brought into account when the sales have been completed and the properties accepted by the purchasers. Profits on other projects are brought into account when the contracts have been completed. Group turnover represents sales of houses and flats during the year and the sales value of contracts completed during the year.

(2) Interest payable
All interest is charged to profit and loss account as incurred.

(3) Fixed assets
Fixed assets are stated at cost after deducting Government grants except for loose tools, scaffolding and huts which are revalued annually by officials of the Group. Development gains tax payable as a consequence of deemed disposal arising on first lettings of certain properties is accounted for as part of the cost of such properties. No depreciation is provided on freehold and long-term leasehold properties. Depreciation of short-term leasehold workshops and plant, vehicles and equipment is calculated at rates varying from 5 per cent. to 20 per cent. which are estimated to write off the cost of these assets net of Government grants in equal annual instalments over their useful lives.

(4) Interest in associated companies
The Group's share of the results of the associated companies is included in the consolidated accounts.

(5) Land for development, work in progress and stocks
[illegible]

(6) Deferred taxation
[illegible]

(7) Goodwill
The excess of the purchase price of shares in subsidiaries over the net assets acquired is carried in the Group accounts as goodwill.

Profits and Dividends

[illegible]

Source and Application of Funds

[illegible]

Net Tangible Assets

[illegible]

(5) Deferred taxation
Deferred taxation is made up as follows:—

	The Company £	The Group £
Taxation deferred in respect of stock relief	942,000	2,683,000
Taxation deferred in respect of capital allowances and adjustments for other timing differences	158,000	214,000
	1,099,000	2,897,000
Less: Advance corporation tax	188,000	188,000
	£911,000	£2,709,000

(7) Capital commitments
Group capital commitments authorised by the board at 29th February, 1976 amounted to £355,000 of which £[illegible] was under contract.

(8) Contingent liabilities
There is a contingent liability under a guarantee to a maximum of £250,000 in respect of loans to Cramlington Investments Limited. The Company has given guarantees in respect of the overdrafts of four of its subsidiaries and the long-term loan of £[illegible] to a subsidiary referred to in note [illegible].

(9) Subsequent events
Since 29th February, 1976 the Company has acquired for £595,925 certain parcels of land from William Leech (Investments) Limited. This amount is secured on these parcels of land, is interest free and is payable by six annual instalments commencing 27th February, 1977.

Summary of Net Tangible Assets

We give below a summary of the net tangible assets of the Group at the end of February in each of the past six years based on the amounts shown in the audited accounts at those dates and after making such adjustments as we consider appropriate:—

	1971 £'000	1972 £'000	1973 £'000	1974 £'000	1975 £'000	1976 £'000
Fixed assets						
Freehold and leasehold properties	254	209	303	637	872	957
Plant, vehicles and equipment	237	242	245	357	281	432
Loose tools, scaffolding and huts	55	65	69	107	115	227
	546	516	617	1,101	1,268	1,616
Interest in associated companies	139	292	543	252	425	536
	685	808	1,160	1,353	1,693	2,152
Current assets						
Land for development, work in progress and stocks	4,301	[illegible]	9,455	12,145	11,237	16,085
Amounts receivable on account of work in progress	[illegible]	[illegible]	[illegible]	[illegible]	651	3,021
[illegible]						
Net tangible assets	1,870	2,237	3,204	4,300	5,187	6,278
Represented by:						
Share capital—Ordinary shares of £1 each	200	200	200	200	200	200
Reserves	1,813	2,180	3,199	4,242	5,070	6,161
	2,013	2,380	3,399	4,442	5,270	6,361
Less: **Goodwill on acquisition of subsidiaries**	143	143	135	82	83	83
	1,870	2,237	3,204	4,360	5,187	6,278

Yours faithfully,
PRICE WATERHOUSE & CO.,
Chartered Accountants.

Valuation

The following is a copy of a report from Storey, Sons & Parker, Chartered Surveyors:—

Higham House,
New Bridge Street,
Newcastle upon Tyne,
NE1 8AU.
25th June, 1976.

The Directors,
WILLIAM LEECH (BUILDERS), LIMITED.

Gentlemen

You have instructed us to value the interests of William Leech (Builders), Limited ("the Company") and its subsidiaries (together called "the Group") in the land details of which are set out in the schedules below. We have carried out inspections, made relevant local enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of the Group's interest in such land as at 29th February, 1976. As regards the Group's interests in land acquired since 29th February, 1976 we have valued such interests as if they had been held by the Group as at that date.

In the case of land with planning permission we have only valued land on which housing units remained to be completed and sold after 29th February, 1976 and we have shown the estimated number of such housing units. We have excluded the value of any site preparation or other construction work which may have been carried out on such land.

We have seen an agreement between the Company, William Leech (Investments) Limited ("Leech Investments") and Bellway Limited ("Bellway") and others dated 24th October 1968 together with the related leases dated 5th April, 1972 relating to the land described in Schedule 1.B ("the Cramlington Agreements") and the agreements between the Company and Leech Investments dated 19th February and 10th September, 1974 relating to the land described in Schedules 1.C and 1.D ("the February Agreement" and "the September Agreement" respectively). Apart from these we have not inspected any document of title and for the purposes of this valuation we have accepted the details of tenure, contracts to purchase, relevant lettings, etc., planning consents and all other relevant information with which we have been supplied by you. We have assumed that all properties are free from encumbrances and outgoings other than those of which you have informed us. You have advised us that there are no statutory notices outstanding.

We have not deducted any sums paid or remaining to be paid to vendors but we have allowed for the estimated amounts of access payments to be paid to Leech Investments under the February and the September Agreements. We have made no allowance for taxation or for any expenses of realisation which would arise in the event of a disposal.

We are of the opinion that the open market value of the Group's interests in the land as set out in the schedules below based on market conditions as at 29th February, 1976 is £10,642,475.

SUMMARY OF LAND SCHEDULES

	Area acres	Housing units	Valuation £
1. Housebuilding land with detailed or outline planning permission held at 29th February, 1976			
A. Land held by the Group otherwise than under agreements with Leech Investments	840.3	6,941	5,070,250
B. Land available to the Group under the Cramlington Agreements	140.8	1,955	1,339,000
C. Land held by the Group under the February Agreement	303.2	2,796	1,653,500
D. Land held by the Group under the September Agreement	36.5	372	46,500
	1,320.8	12,064	8,109,250
2. Land without planning permission held at 29th February, 1976			
A. Land held by the Group otherwise than under agreement with Leech Investments	1,218.9	—	521,300
B. Land held by the Group under the September Agreement	30.0	—	5,000
	2,569.7	12,064	8,635,550
3. Land acquired since 29th February, 1976			
A. Land with detailed or outline planning permission	74.8	404	502,000
B. Land without planning permission	2,690.0	—	595,925
	5,334.5	12,468	£10,642,475

In our opinion the total shown for each section would not be appreciably different if we had valued as at today's date.

Yours faithfully,
STOREY SONS & PARKER,
Chartered Surveyors.

LAND SCHEDULES

1. HOUSEBUILDING LAND WITH DETAILED OR OUTLINE PLANNING PERMISSION HELD AT 29th FEBRUARY, 1976

A. Land held by the Group otherwise than under agreements with Leech Investments

		Area acres	Housing units
England			
Cleveland:	[illegible]	[illegible]	69
	[illegible]	[illegible]	[illegible]
	Marton	[illegible]	9
County Durham:	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	111
	[illegible]	[illegible]	100
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	25
	[illegible]	[illegible]	944
	[illegible]	[illegible]	4
Cumbria:	[illegible] Farm, Carlisle	[illegible]	[illegible]
Humberside:	[illegible]	20.0	252
Lincolnshire:	Barton on Humber	[illegible]	7
	Burton on Stather	[illegible]	[illegible]
	Chapel St. Leonards	[illegible]	169
	[illegible]	[illegible]	7
	[illegible]	[illegible]	45
	[illegible]	[illegible]	[illegible]
	[illegible]	2.6	15
Northumberland:	Barnes Park, Cramlington	[illegible]	80
	[illegible]	[illegible]	70
	Hexham	[illegible]	40
	[illegible] Park, Morpeth	[illegible]	190
Nottinghamshire:	[illegible]	3.0	30
	[illegible]	3.5	36
	[illegible]	[illegible]	2
	[illegible]	[illegible]	[illegible]
South Yorkshire:	[illegible]	[illegible]	[illegible]
Tyne and Wear:	[illegible]	[illegible]	[illegible]
Scotland			
Angus:	[illegible]	[illegible]	[illegible]
Argyllshire:	[illegible]	[illegible]	[illegible]
Clackmannanshire:	[illegible]	[illegible]	[illegible]
Dunbartonshire:	[illegible]	[illegible]	[illegible]
Edinburgh:	[illegible]	[illegible]	[illegible]
Fife:	[illegible]	[illegible]	[illegible]
Lanarkshire:	[illegible]	[illegible]	[illegible]
Perthshire:	[illegible]	[illegible]	[illegible]
Renfrew:	[illegible]	[illegible]	[illegible]
Stirlingshire:	[illegible], Head of Muir	[illegible]	[illegible]
West Lothian:	[illegible]	[illegible]	[illegible]
TOTALS		[illegible]	[illegible]

VALUATION OF SCHEDULE 1.A — £5,070,250

B. Land available to the Group under the Cramlington Agreements

	Area acres	Housing units
Allocated land		
Eastfield Glade	25.3	214
Eastfield Green	20.4	301
Parkside Chase	1.1	13
Parkside Dale	18.8	241
	65.6	769
Land yet to be divided	201.5	2,620
Less: an unspecified area to be allocated to Bellway	19.0	247
	182.5	2,373
Of which the Group's half share is	91.2	1,186
TOTALS	146.8	1,955

VALUATION OF SCHEDULE 1.B — £1,339,000

C. Land held by the Group under the February Agreement

		Area acres	Housing units
County Durham:	Framwellgate Moor	54.5	409
	Sacriston	14.5	129
Northumberland:	Blyth	5.3	56
	Dudley	0.5	14
	Ellington	42.3	408
	Prudhoe	25.6	183
	Spelvit Lane, Morpeth	3.9	16
North Yorkshire:	Catterick	4.8	45
Tyne and Wear:	Kenton	40.8	525
	Penshaw	5.1	45
	Seaton Delaval	25.0	320
	Wallsend	62.0	620
	Wardley	3.2	30
TOTALS		303.2	2,796

VALUATION OF SCHEDULE 1.C — £1,653,500

D. Land held by the Group under the September Agreement

		Area acres	Housing units
Tyne and Wear:	Kenton	18.6	207
	Seaton Delaval	1.5	15
	Wallsend	16.4	150
TOTALS		36.5	372

VALUATION OF SCHEDULE 1.D — £46,500

2. LAND WITHOUT PLANNING PERMISSION

A. Land held by the Group otherwise than under agreements with Leech Investments

	Area acres
County Durham	251.1
Northumberland	425.0
Tyne and Wear	582.8
	1,218.9

VALUATION OF SCHEDULE 2.A — £521,300

B. Land held by the Group under the September Agreement

	Area acres
Tyne and Wear	30.0

VALUATION OF SCHEDULE 2.B — £5,000

3. LAND ACQUIRED SINCE 29th FEBRUARY, 1976

A. Land with detailed or outline planning permission

		Area acres	Housing units
Cleveland:	Marton	10.9	100
	Yarm	[illegible]	120
Derbyshire:	Mickleover	[illegible]	110
Northumberland:	Morpeth	8.9	44
	Tranwell	[illegible]	5
Tyne and Wear	Fawdon	[illegible]	25
		[illegible]	404

VALUATION OF SCHEDULE 3.A — £502,000

B. Land without planning permission

	Area acres
Cleveland	327.0
County Durham	376.0
Humberside	56.0
Northumberland	680.0
Tyne and Wear	1,458.0
	2,696.0

VALUATION OF SCHEDULE 3.B — £595,925

Statutory and General Information

Share Capital

Immediately prior to 25th June, 1976, the authorised share capital of the Company was £200,000 divided into 200,000 Ordinary shares of £1 each all of which were issued and fully paid. On 25th June, 1976, by or pursuant to resolutions passed at an Extraordinary General Meeting:—

1. each Ordinary share of £1 was subdivided into five Ordinary shares of 20p each;
2. the authorised share capital of the Company was increased to £3,000,000 by the creation of 14,000,000 Ordinary shares of 20p each;
3. the Company was converted into a public company and adopted new Articles of Association;
4. £2,200,000 being part of the sums standing to the credit of the Company's reserves was capitalised and 11,000,000 Ordinary shares of 20p each were issued, credited as fully paid, to the shareholders in proportion to their holdings.

Articles of Association

The new Articles of Association of the Company, referred to above, contain provisions (*inter alia*) to the following effect:—

1. On a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 20p nominal amount of share capital of which he is the holder.
2. The aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to five times the Adjusted Capital and Reserves (as defined). Moneys borrowed include for such purpose amounts outstanding under certain transactions akin to borrowing.
3. The aggregate fees of the Directors shall from time to time be determined by ordinary resolution of the Company. A Director may hold any other office or place of profit under the Company (except that of Auditor) upon such terms including terms as to payment of salary, commission, participation in profits or otherwise as the Board may determine. A Director or his firm may act in a professional capacity for the Company otherwise than as Auditor, and may be paid remuneration therefor.
4. A Director may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested and shall not be liable to account to the Company or the members for any remuneration, profit or other benefits received by him as a director or officer of or from his interest in such other company. The Board may also exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
5. The Board on behalf of the Company may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any Director or former Director who has been an Executive Director (as defined) or the holder of any other office or place of profit under the Company or in favour of the relations, connections or dependants of such a person.
6. Section 185 of the Companies Act, 1948 regarding the appointment and retirement of Directors who have attained the age of 70 does not apply to the Company. No shareholding qualification for Directors is required.
7. Subject to certain exceptions conforming with Stock Exchange requirements a Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement in which he is materially interested or concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

Subsidiaries

The following is a list of the Company's principal subsidiaries all of which are wholly owned and, with the exception of Leech Homes (Scotland) Limited which is incorporated in Scotland, are incorporated in England:—

	Date of incorporation	Issued share capital £
Leech Homes (Scotland) Limited	5th March, 1962	50,000
North East Joinery Company Limited	9th August, 1954	100
St. James Properties (Newcastle) Limited	24th April, 1972	100
Wilkinson & Houghton Limited	24th January, 1938	190,875
William Leech (Midlands) Limited	3rd December, 1956	300

Associated companies

The following is a list of the Company's associated companies all of which are incorporated in England:—

	Date of incorporation	Issued share capital £	Proportion held by Company
Cramlington Developments Limited	24th October, 1962	10,000	50 per cent.
Cramlington Investments Limited	2nd January, 1956	100,000	50 per cent.
Leebell Investments Limited	25th February, 1969	10,000	50 per cent.
West European Building Corporation Limited	16th July, 1969	500,000	20 per cent.

Directors' and other interests

(a) After completion of the Offer for Sale contract mentioned below the interests of the Directors as they will appear in the Register maintained under the provisions of Section 29 of the Companies Act 1967 will be as follows:—

	Beneficial	Other
W. C. Leech	120	—
J. Adamson	120,000	792,000
J. R. Adamson	240,000	—
P. M. Milburn	6,000	—
J. Livingston	6,000	432,000*

*All these 432,000 shares are jointly held with Mr. J. Adamson and are included in the 792,000 shown against his name.

In addition 360,000 shares have been settled on trust for a class of beneficiaries which includes Mr. J. R. Adamson and his infant children.

(b) Immediately prior to the Offer for Sale contract The William Leech Foundation Limited ("Leech Foundation") held a total of [illegible] shares of 20p each representing [illegible] per cent. of the issued capital of the Company as corporate trustee of two charitable trusts established by Mr. William Leech in 1960, one such trust comprising [illegible] shares being for the benefit of the Five Charities and the other comprising [illegible] shares being on general discretionary charitable trusts. After the completion of the Offer for Sale contract no single existing shareholder will own more than [illegible] per cent. of the issued capital save that Leech Foundation will hold [illegible] shares ([illegible] per cent. of the issued capital of the Company) and has informed the Directors of the Company that it has no present intention of disposing of such holding. Each of the Five Charities owns one share of £1 in and is represented on the Board of Leech Foundation; the remaining three issued shares are owned by Mr. J. Adamson, Mr. J. R. Adamson and Mr. P. M. Milburn, who are also directors of Leech Foundation.

(c) Each director of Leech Investments other than Mr. Leech is entitled to an annual fee of £500.

(d) The Directors of the Company have the following interests in the issued Ordinary share capital, consisting of 40,000 fully paid shares of £1 each, of Northern Homes and Estates Limited ("Northern Homes") of which Mr. Leech, Mr. J. Adamson and Mr. Livingston are directors.

	Beneficial	Other
W. C. Leech	[illegible]	[illegible]
J. Adamson	[illegible]	[illegible]
J. R. Adamson	[illegible]	[illegible]
J. Livingston	[illegible]	[illegible]

*All these 9,600 shares are jointly held with Mr. J. Livingston and are included in the 9,600 shown against his name.

In addition, each of the Five Charities beneficially owns [illegible] Ordinary Shares of Northern Homes. Northern Homes carries on business as a property company and acts as estate agents for [illegible] and [illegible] investment properties of the Group [illegible] Leech Investments. Northern Homes [illegible] and receives accounting and secretarial services from the Group. All transactions between Northern Homes and the Group have been paid for on an arm's length basis [illegible].

(e) Mr. J. R. Adamson owns beneficially [illegible] fully paid Ordinary shares of £1 each [illegible] the issued share capital and is a director of that company [illegible].

(f) Save as disclosed herein no Director has had within two years preceding the date hereof any interest, direct or indirect, in any assets acquired or disposed of by or leased to the Company or any of its subsidiaries or proposed to be so acquired, disposed of or leased.

(g) The aggregate emoluments of the present Directors in respect of the year ended 29th February, 1976 amounted to £[illegible] and it is estimated will amount to £[illegible] in respect of the year ending 28th February, 1977.

LEECH

William Leech (Builders), Limited CONTINUED

Offer for Sale Contract

Under contract (1) below, J. Henry Schroder Wagg & Co. Limited ("Schroder Wagg") have agreed, subject to the Council of The Stock Exchange admitting the issued Ordinary shares in the Company to the Official List not later than 9th July, 1976, to purchase at the price of 64p per share 4,520,000 Ordinary shares from Leech Foundation, 24,000 Ordinary shares from Mr. J. W. N. Petty, 96,000 Ordinary shares from Mr. J. H. Ross, 12,000 Ordinary shares from Mr. and Mrs. J. H. Ross, 24,000 Ordinary shares from Mrs. Ross and Mr. D. Stephenson and 24,000 Ordinary shares from Mrs. S. H. West with a view to all such shares being offered for sale to the public under this Offer for Sale.

Schroder Wagg will pay an underwriting commission of 1¼ per cent., fees to the brokers and their own legal expenses. All other costs, charges and expenses of and incidental to this Offer for Sale including the costs of the preparation, printing, publication and advertising of this Offer for Sale, all accountancy and valuation expenses, the Company's own legal expenses and the fees payable to The Stock Exchange and to the receiving bankers are estimated to amount to £115,000 and are payable by the Company.

Taxation

The Directors believe that, immediately following the completion of this Offer for Sale, the Company will cease to be a close company as defined in the Income and Corporation Taxes Act 1970.

Clearances have been obtained by the Company and its subsidiaries in respect of apportionment for all relevant periods to 28th February, 1975 under Section 94 of and Schedule 16 to the Finance Act 1972 (as amended) and in respect of shortfall under previous legislation. Under contract (2) below the shareholders of the Company have given appropriate taxation indemnities to the Group and to Schroder Wagg.

Contracts

The following contracts, not being contracts in the ordinary course of business, have been entered into within two years immediately preceding the date of this Offer for Sale and are or may be material:—

(1) An agreement dated 25th June, 1976 between Leech Foundation, Mr. J. W. N. Petty, Mr. and Mrs. J. H. Ross, Mr. D. Stephenson and Mrs. S. H. West (i) the Directors of the Company (ii) the Company (iii) and Schroder Wagg (iv) being the Offer for Sale contract referred to above.

(2) A Deed of Indemnity dated 25th June, 1976, between the shareholders of the Company (i) the Company (ii) and Schroder Wagg (iii) being the deed containing the taxation indemnities above referred to.

(3) Two agreements dated 10th September, 1974, between Leech Investments (i) and the Company (ii), being the agreements together referred to above as the September Agreement.

(4) A service agreement dated 9th June, 1976, between the Company (i) and Mr. J. R. Adamson (ii) whereby Mr. Adamson has agreed to serve as Managing Director of the Company for a period of five years at an annual salary of not less than £24,000.

(5) A service agreement dated 9th June, 1976, between the Company (i) and Mr. P. M. Milburn (ii) whereby Mr. Milburn has agreed to serve as Deputy Managing Director of the Company for a period of five years at an annual salary of not less than £19,200.

(6) A service agreement dated 9th June, 1976, between the Company (i) and Mr. J. Livingston (ii) whereby Mr. Livingston has agreed to serve as a Director of the Company for a period of four years at an annual salary of not less than £16,200.

(7) A pension agreement dated 9th June, 1976, between the Company (i) Mr. W. C. Leech (ii) and Mrs. Leech (iii) whereby the Company has agreed to pay a life pension of £7,000 per annum to Mr. Leech and to Mrs. Leech if she shall survive him.

(8) Three leases dated respectively 23rd November, 1973, 1st August, 1975 and 30th September, 1975 between Leech Investments (i) and Northern Homes (ii); a lease dated 5th April, 1976 between Leech Investments (i) the Company (ii) and Bellway (iii) and two other leases of the same date between Leech Investments (i) and the Company (ii) referred to under "Housebuilding land at Cramlington".

In addition the following contracts, not being contracts in the ordinary course of business, have been entered into more than two years immediately preceding the date of this Offer for Sale and are material:—

(9) An agreement dated 24th October, 1968 between Leech Investments (i) the Company (ii) Bellway Holdings (iii) Bellway (iv) Mr. W. C. Leech (v) Mr. J. Bell and Mr. R. Bell (vi) and CDL (vii) referred to under "Housebuilding land at Cramlington".

(10) Two agreements dated 13th February, 1974, between Leech Investments (i) and the Company (ii) being the agreements together referred to above as the February Agreement.

General

(a) Apart from the shares now offered for sale, no material issue of shares (other than to shareholders pro rata to existing holdings) will be made within one year without prior approval of the Company in General Meeting.

(b) No issue will be made which would effectively alter the control of the Company or the nature of its business without prior approval of the Company in General Meeting.

(c) No part of the consideration in respect of the shares to which this Offer for Sale relates will be received by the Company and no amount is required for any of the matters mentioned in paragraph 4 of the Fourth Schedule to the Companies Act 1948.

(d) Save as disclosed herein (i) no unissued share or loan capital of the Company or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option, (ii) no share or loan capital of the Company or any of its subsidiaries has (otherwise than to the Company or another subsidiary) within two years preceding the date of this Offer for Sale been issued, agreed to be issued, or is now proposed to be issued either for cash or otherwise, and (iii) no commissions, discounts, brokerages or other special terms have been granted within the said two years by the Company or by any of its subsidiaries in connection with the issue or sale of any part of their respective share or loan capitals.

(e) Save as disclosed herein, there are no contracts or arrangements of significance subsisting with the Company in which a Director's interest is material, nor have there been any such contracts or arrangements entered into within two years immediately preceding the date of this Offer for Sale but no longer subsisting.

(f) Neither the Company nor any subsidiary is engaged in any litigation of material importance or has any litigation or claim of material importance pending or threatened against it.

(g) Storey Sons & Parker have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion of their report containing the land valuation and of the reference to their valuation of the investment properties of the Group in the form and context in which they are included.

(h) Price Waterhouse & Co. have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion therein of their report in the form and context in which it is included.

(i) The above-mentioned consents, a statement of the adjustments made by Price Waterhouse & Co. in arriving at the figures set out in their report, and the reasons therefor, and copies of the contracts listed above were attached to the copy of this Offer for Sale delivered to the Registrar of Companies for registration.

Documents available for inspection

Copies of the following documents may be inspected at the offices of J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London, E.C.2, and of Dickinson Dees & Co., Cross House, Westgate Road, Newcastle upon Tyne, 1 during usual business hours on any weekday (excluding Saturdays) until 16th July, 1976:—

1. the Memorandum and Articles of Association of the Company;
2. the audited consolidated accounts of the Company for the two financial periods ended 29th February, 1976;
3. the documents delivered to the Registrar of Companies as mentioned above;
4. the Accountants' report; and
5. the report containing the land valuation and the valuation of the Group's investment properties referred to above.

25th June, 1976.

APPLICATION FORM

The Application Lists will open at 10.00 a.m. on Thursday, 1st July, 1976 and will close on the same day. All cheques may be presented for payment on receipt.

LEECH

William Leech (Builders), Limited

Offer for Sale
by
J. Henry Schroder Wagg & Co. Limited
of 4,700,000 Ordinary shares of 20p each at 64p per share
Payable in full on application.

Number of shares for which application is made†	Amount enclosed at 64p per share
	£

†Applications must be in multiples of 100 shares (with a minimum of 200 shares) up to 1,000 shares and then in multiples of 500 shares up to 5,000 shares and thereafter in multiples of 1,000 shares. You are advised to allow two days for delivery through the post.

To: J. HENRY SCHRODER WAGG & CO. LIMITED.

Gentlemen,

I/We enclose a cheque for the above-mentioned sum, being the amount payable in full on application for the above-mentioned number of Ordinary shares of 20p each in William Leech (Builders), Limited ("the Company") at 64p per share. I/We offer to purchase that number of shares and I/We agree to accept the same or any smaller number in respect of which this application may be accepted upon the terms of your Offer for Sale dated 25th June, 1976 and subject to the Memorandum and Articles of Association of the Company.

I/We understand that completion and delivery of this Application Form accompanied by the necessary cheque will constitute an undertaking that the cheque will be honoured on first presentation.

I/We hereby authorise and request you to place my/our name(s) on the Register of Members of the Company as holder(s) of that number of shares in respect of which this application is accepted.

I/We hereby authorise and request you to send the renounceable Letter of Acceptance in respect of such shares, and/or a cheque for any moneys returnable, by ordinary post to me/us at my/our risk to the address first given below.

If the following Declaration cannot be made, it must be deleted and reference should be made to an Authorised Depositary* (or an Approved Agent in the Republic of Ireland*) through whom this Form should be lodged.

I/We declare that I am/we are not resident outside the Scheduled Territories* and am/are not applying for the above-mentioned shares as the nominee(s) of any person(s) resident outside those Territories.

1 Signature ______________ Dated ______________ 1976.

PLEASE USE BLOCK CAPITALS

Christian or Fore Name(s) (in full)

Surname and designation (Mr., Mrs., Miss or Title)

Address (in full)

ALL joint applicants must sign.

2 Signature ______________

Christian or Fore Name(s) (in full) ______________

Surname ______________

Mr., Mrs., Miss or Title ______________

Address (in full) ______________

3 Signature ______________

Christian or Fore Name(s) (in full) ______________

Surname ______________

Mr., Mrs., Miss or Title ______________

Address (in full) ______________

This Form should be completed and forwarded to LLOYDS BANK LIMITED, ISSUE DEPARTMENT, P.O. BOX No. 257, 51 GRACECHURCH STREET, LONDON EC3P 3DD, together with a remittance for the amount payable on application, drawn on a bank or branch thereof in England, Scotland or Wales. A SEPARATE CHEQUE MUST ACCOMPANY EACH APPLICATION FORM. No application will be considered unless these conditions are fulfilled.

All cheques must be made payable to Lloyds Bank Limited and crossed "Not Negotiable".

In the case of joint applicants all must sign. In the case of a Corporation this Form must be signed on its behalf under hand by a duly authorised official whose designation must be stated.

No receipt will be issued for the payment on application but an acknowledgement will be forwarded through the post in due course at the risk of the Applicant(s) in the form of a renounceable Letter of Acceptance in respect of the shares applied for or a part thereof and/or the return of the application moneys or any surplus thereof.

* Authorised Depositaries are listed in the current issue of the Bank of England's Notice BC 1 and include Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom, the Channel Islands or the Isle of Man. An Approved Agent in the Republic of Ireland is defined in the current issue of the Bank of England's Notice BC 10.

The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

Amounts payable on application:—

Shares	£	Shares	£	Shares	£	Shares	£	Shares	£
200	128	300	192	500	320	1,000	640	1,500	960
2,000	1,280	5,000	3,200	6,000	3,840	10,000	6,400		

and so on in proportion

APPOINTMENTS

Booker McConnell makes changes

Mr. M. C. W. Wildy has been appointed deputy chief executive of BOOKER McCONNELL from July 1. He will retain board responsibility for finance, for the engineering companies and for the artists' companies. Mr. J. N. W. Hearder becomes a director of Booker McConnell. He joined the company in 1964 and since 1971 has been head of the overseas shopkeeping and manufacturing division, now to be renamed the overseas trading division. He will remain chairman of that division, whose responsibilities will be extended to cover the marketing of sugar and bulk rum from Guyana.

Mr. J. A. Haynes is relinquishing his chairmanship of the agricultural division, which no longer includes Bookers Sugar Estates in Guyana. He will head a new corporate planning group responsible to the executive committee of the Board. Mr. Haynes will retain board responsibility for Booker McConnell Projects. He will also take over from Mr. M. H. Caine, chief executive of Booker McConnell, Board responsibility for the U.K. food distribution division.

The continuing activities of the agricultural division, consultancies, management and investments, will be undertaken through Bookers Agricultural and Technical Services under the chairmanship of Mr. J. F. Taylor.

The engineering companies will now be organised in two divisions. The Fluid-handling Engineering Division will be under the chairmanship of Mr. J. A. Nutt and will comprise SPP Group, Plenty and Son, and Hero in Brazil.

The general engineering division, comprising Fletcher and Stewart in Derby, Fletcher Sutcliffe Wild, and J. and T. Lawrie, will be under the chairmanship of Mr. N. A. D. Sharvell, the chairman of Fletcher and Stewart. Mr. F. B. Doyle, chairman of Fletcher Sutcliffe Wild, will be deputy chairman of the division with special responsibility for development, and will continue also as managing director of Booker McConnell Projects. The U.K. food distribution division, under the chairmanship of Mr. M. W. Jerram, will now include Kingswood (Chemists) and the health food companies as well as the company's major wholesale and retail food operations in this country.

★

Mr. A. A. Banks has succeeded Mr. D. I. Baddeley as managing director of OROBIS, which is owned equally by BP Chemicals and Chevron Chemicals.

★

Mr. W. S. Whittingham has been appointed a managing director of A. MONK AND COMPANY from July 1. He has been deputy managing director since September, 1968.

★

Mr. R. Marriott of JAMES NEILL (SERVICES) has been appointed group purchasing director. Mr. D. Taylor becomes director of research.

Mr. K. R. Gill becomes commercial director of JAMES NEILL (SHEFFIELD). Mr. D. M. MacLennan has been made home sales director.

★

Mr. John Wakefield has been appointed a vice-president of FIRST WISCONSIN NATIONAL BANK OF MILWAUKEE and continues in charge of the foreign exchange and deposits dealing activity at the London branch.

★

Mr. H. R. Prichard has been appointed managing director of BRIGHTSIDE HEATING AND ENGINEERING COMPANY.

★

Mr. Nigel Hardy has been appointed deputy chairman of MORRISON AND GIBB, part of the Oxley Printing Group. He will also join the group management Board of Oxley Press (London) as group sales director.

★

Mr. Robin Holliday, chairman designate of Guest Keen and Nettlefolds South Africa (Pty), has been appointed to the Board of GUEST KEEN AND NETTLEFOLDS (OVERSEAS).

★

Mr. D. Nicholson has been appointed secretary of BAXTER, FELL in succession to Mr. T. E. Shaw, who remains finance director. The following appointments have been made in subsidiary companies of Baxter Fell. Mr. H. J. Clayton is to be a director of Baxter Fell (Northfleet) and managing director of Baxter Fell Metals. Mr. A. F. Baxter and Mr. L. D. Jennings become directors of Showrax. Mr. K. R. Buchan and Mr. P. G. Search are to be directors of Baxter Fell Manufacturing. Mr. M. Giblin becomes a director of Eurolink Merchandising Systems and Mr. R. T. B. Whittaker is to be a director of Baxter, Tyrrell and of Baxter Fell Metals. All these appointments take effect from July 1.

★

Sir Arthur Cockfield has been re-appointed chairman of the PRICE COMMISSION for a further twelve months from August 1, 1976. In view of the special circumstances attending the extension of the present price control for a further year, Sir Arthur has accepted Minister's invitation that he should remain in office until July 31, 1977, but he has indicated that he would not wish to continue in office beyond that date.

★

CRUSADER INSURANCE COMPANY has made the following appointments from July 1. Mr. A. C. S. Eagles is appointed deputy managing director. Mr. Peter L. B. Stoddart a member of the Board of C. T. Bowring, Mr. K. A. McKenzie and Mr. W. D. Scattergood are appointed to the Board. Mr. Scattergood continues as the company's actuary. The following are appointed general managers: Mr. D. Ellis Marketing & Sales, Mr. P. B. Grimshaw Investments, Mr. B. Lawrence Administration, and Mr. K. A. McKenzie Insurance Operations. Mr. R. A. Rayland is appointed secretary. Mr. A. D. J. Parker is to be property manager on the retirement of Mr. C. H. Drake and Mr. R. E. Tunstill is appointed data processing manager.

★

ILLINGWORTH MORRIS AND CO. has appointed the following joint managing directors who will be responsible for the major divisions of the group. They are Mr. J. T. Hopkinson, purchasing, topmaking and merchanting; Mr. D. Hanson, combing and spinning; Mr. J. D. P. Tanner, worsted manufacturing and cloth merchanting; and Mr. P. Hardy, woollen.

★

Mr. Eric Rawson has been appointed operations director of PLESSEY MARINE. He was previously with Short Brothers and Harland, Belfast, where he was general works manager of the missile division.

★

Mr. W. J. H. Riddell has been appointed chairman of NATIONAL PLASTICS (Courtaulds Group). He has been chief executive of the National Plastics Group since 1973.

★

Mrs. E. C. Rees, Mr. A. C. Bingham and Mr. A. M. Williams have been appointed to the main Board of DANKS GOWERTON.

★

Mr. Richard Soper has been appointed director, marketing of STANDARD TELEPHONES AND CABLES. He has been director, development since May, 1974 when he joined the company to take charge of the creation and evolution of new products.

★

Mr. E. F. Parker, a director of HERCULES POWDER COMPANY, is to retire at the end of August. Mr. R. J. Samworth will become financial director from September 1.

★

Mr. Charles Bayly, formerly director of Dunlop Aviation Division, Coventry, and chairman of DUNLOP AVIATION INCORPORATED, Van Nuys, California, U.S., is to retire from the company on June 30.

★

Mr. Diarmid Glencairn-Campbell will be joining the partnership of GILBERT ELIOTT, Stockbrokers, on July 1. Mr. Diarmid Glencairn-Campbell is at present an associated member with the firm.

★

Mr. Caspar Graf von Oeynhausen is retiring as a director of F. & C. EUROTRUST on June 30, to take over the management of his family's business. His place on the Board is being taken by Mr. Wolfgang Meissner, executive manager of Sal Oppenheim Jr., Cologne.

★

Mr. Elliott F. Kulick is to join the Board of STANDARD INDUSTRIAL TRUST on July 1.

★

Mrs. Anne C. Arnold Silk has become a non-executive director of WIGMORE'S, a wholly owned subsidiary of the Dollond and Aitchison Group.

★

Mr. M. F. Howe, managing director of TURNERS ASBESTOS FIBRES, a Turner and Newall subsidiary, and a former director of TBA Industrial Products, will be retiring on June 30 after 38 years' service with the T and N group. Mr. Howe has also been deputy chairman of the Asbestos Information Committee since 1968.

INSURANCE

More than 90% burglar alarms are false calls

BY OUR INSURANCE CORRESPONDENT

A FORTNIGHT ago I discussed the British Insurance Association's report on member companies' crime loss payout last year, and noted that commercial and industrial crime bill amounted to £8.3m., an astonishing increase of 54 per cent. over the £5.4m. disbursed in 1974.

BIA reported that many of last year's losses concerned not "target" risks (for example, tobacco, wines and spirits, radio and electrical goods, and clothing), but those hitherto relatively free from criminal attention.

Because of this, I suggested that insurers might now start concentrating on persuading those business policyholders, till recently immune from attack, better to protect their property as a condition of getting crime loss insurance.

One well tried and well proved device in insurers' range of protection requirements is the burglar alarm, so with the upsurge of commercial crime losses, the burglar alarm companies can reasonably expect both to provide a number of new installations and to improve many of those already in existence.

Unreliable

If the burglar alarm could be relied upon to sound off, or to transport its silent call to police or security service station only when activated by criminal incursion, it would be very much more acceptable to all concerned with crime prevention.

The trouble with the burglar alarm is that well over 90 per cent. of the calls it transmits are false alarms. Some of these are caused by electrical faults, but the great majority by human error, particularly at the times when the alarm is set or the premises are reopened.

Police, alarm companies, their trade association and insurers have spent much time trying to solve this problem — regrettably without any real measure of success.

Various police authorities have adopted the practice of notifying regular false alarmers that after a further given number of false alarms in any one month, often five, but maybe more, no further alarm calls from that particular address will be serviced.

How often this kind of threat has in fact been implemented I am unsure: perhaps police numbers have been fixed to be cautionary rather than really to withdraw protection.

In the Metropolitan Police District, where some 600 false alarms a day were answered in the first week of June, the present ration is five "free" false alarm calls a month, or 18 in a six-month period, before any warning letter is sent.

Last year the Yard received 157,000 calls, 98 per cent. of them false. Clearly if police time is not to be wasted, the rules of tolerance must be changed.

From the start of next year, only three "free" calls will be allowed: thereafter the police will send a letter, both to the owner of the installation and to the alarm company concerned, giving one month's notice that the police will not respond to further calls.

Also an inspectorate is to be set up, to examine installations at the request of their owners. How far this voluntary inspection system will work must depend on the salesmanship of local crime prevention officers.

If the inspectorate's recommendations are ignored, then the particular installation will be blacklisted until they have been carried out. What the Yard does from next January other police forces may do later in the year.

While insurers cannot condone the large wastage of police time, these new proposals must give considerable cause for anxiety—for next year an increasing number of high risk premises could be left without rapid police surveillance.

The installation of most alarms in commercial and industrial premises, their proper maintenance and setting when the premises are vacated—all are made the subject of express clauses in most crime loss policies, whether by condition, warranty or exclusion.

Warning

Insurers' assumption is that the police will respond to alarm calls. So even the threat of withdrawal of surveillance, as distinct from the actual withdrawal, must be a material fact, which the policyholder must communicate to his insurers, preferably by sending them a copy of the police warning.

Failure would leave the policyholder at risk of being refused cover on the grounds of non-disclosure.

However, at this stage of the year insurers cannot have made up their minds either individually or collectively how to react to the proposed changes—and in the remaining months of the year, with the upswing of commercial crime losses very much in view, firm decisions will have to be made and policyholders advised of the likely insurance consequences.

U.K. recovery 'to quicken'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PACE of economic expansion in the U.K. will probably accelerate soon, says Dr. David Lomax, Economic Adviser to the National Westminster Bank.

Dr. Lomax writes in the bank's Economic Outlook that although the U.K.'s recovery has been rather hesitant so far and the outlook for consumer spending remains depressed, the rapid expansion of exports, the end of industrial de-stocking and the continuing high level of public spending should ensure a rapid economic recovery from the latter half of this year onwards.

He examines several recent economic indicators and says that there are now some grounds for cautious optimism in the short-turn with a continuing abatement of inflation and increasing signs of export-led economic expansion.

As the recent pressure on sterling had demonstrated, many overseas observers believed that the U.K. economy remains badly unbalanced with an excessive level of public spending and a public sector deficit sufficiently large to give rise to serious reservations about the authorities' ability to maintain monetary discipline—and so subdue inflation—over the medium term.

An International Supplement has been attached to the Economic Outlook. It says that the major Western economies are firmly embarked on a period of rapid growth which should sustain the growth of world trade for this year and next.

The U.S., German and Japanese economies were also likely to go through this phase of recovery with adequate balance of payments performances. Japan had recently shown a substantial improvement in this field, so there should be no risk of the recovery having to be aborted for this reason.

On interest rates, the supplement highlights the recent rises in short-term rates in both the U.S. and Germany as the authorities have acted to moderate the rate of monetary growth.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
15F	15A	Treasury [illegible]	95	9	6.54	10.86
[illegible]	1S	[illegible]	98	26	4.04	—
14J	14D	Treasury [illegible]	100	10	10.49	10.28
10S	10M	Treasury [illegible]	97	[illegible]	6.42	10.35
15S	15M	Electric [illegible]	96	9	3.11	8.30
28M	28S	Treasury [illegible]	100	[illegible]	11.45	11.00
15M	15N	Treasury 3pc [illegible]	94	24	3.17	7.27
[illegible]	20D	Transport 3pc [illegible]	95	[illegible]	4.19	7.30
15S	15M	Treasury [illegible]	95	9	9.30	11.65
14J	14Ju	Treasury [illegible]	95	7	10.56	10.81
26M	26S	Exchequer 5pc 76-78	92	18	5.40	9.72
9S	9M	Treasury [illegible]	100	[illegible]	11.45	11.30
17M	17S	Treasury 3pc [illegible]	88	9	3.39	7.07
26M	26S	Electric [illegible]	83	18	4.80	8.55
1M	1N	Treasury [illegible]	97	25	10.75	11.52
15M	15N	Electric [illegible]	78	[illegible]	3.97	7.49
[illegible]	3M	Treasury [illegible]	93	[illegible]	9.67	11.55
[illegible]	14M	Treasury [illegible]	95	7	10.17	11.64
15D	15J	Treasury [illegible]	86	10	4.07	7.66
15D	15J	Funding [illegible]	85	10	5.88	8.59
15J	15Ja	Treasury [illegible]	95	8	11.57	11.67
15A	15F	Treasury [illegible]	82	9	4.23	8.02
10	1J	Treasury [illegible]	92	—	10.57	11.92
		Five to Fifteen Years				
15J	15Ja	Treasury [illegible]	87xd	8	9.67	11.51
[illegible]	17M	Treasury [illegible]	102	9	12.17	12.29
15J	15Ja	Funding [illegible]	76xd	8	7.17	4.65
10J	10Ju	Treasury [illegible]	82xd	[illegible]	10.39	11.62
1N	1M	Funding [illegible]	69	25	9.29	11.70
25J	25Ja	Treasury [illegible]	77xd	21	10.59	12.27
1J	1Ju	Transport 3pc 78-88	48xd	15	6.36	10.72
15A	15O	Treasury [illegible]	53	9	9.24	12.97
15J	15Ja	Treasury [illegible]	95xd	7	13.56	13.68
15D	15J	Treasury [illegible]	70	[illegible]	11.84	13.00
[illegible]	[illegible]	Funding [illegible]	55xd	[illegible]	10.64	12.71

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 47% (based on $1.7770 per £)

Conversion factor 0.6830 (0.6776)

CANADIANS

[illegible]

S.E. List Premium 47% (based on $1.7776 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INSURANCE

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's	P/E
Jan. June	Bowring (C. T.)	71	17.5	2.54	2.8	5.7	11.4
Feb. July	Brentnall Int. 10p	106	9.12	13.45	2.7	5.6	14.2
May Sept.	Britannic 5p	125	22.3	7.47	—	9.1	—
F.M.S.D.	Combined Am. $1	750	[illegible]	[illegible]	—	3.0	—
Nov. May	Comm. Union	103	5.4	6.77	—	9.6	—
Jan. July	Eagle Star	120	14	4.93	—	6.2	—
June Dec.	Equity & Law 5p	143	17.5	5.44	—	5.0	—
Jan. July	Gen. Accident	142	3.3	5.81	—	6.2	—
Jan. May	Guardian Royal	182	20.4	9.27	—	7.0	—
Jan. July	Heath (C. E.) 20p	395	17.5	13.0	4.9	5.3	11.4
Oct. Mar.	Hogg Robinson	170	26.1	4.23	3.7	2.9	15.1
Dec. Apr.	Howden (A.) 10p	151	8.3	2.47	4.8	2.5	11.4
Dec. June	Legal & Gen. 5p	110	20.4	4.65	—	6.5	—
Sept. June	Lon. & Gdsm. 10p	118	11.6	2.69	2.5	4.0	12.5
Nov. May	Lon. & Man. 5p	106	20.5	4.64	—	6.7	—
June Oct.	London United 5p	57	30.4	2.42	1.9	6.5	9.7
Nov. May	Matthew Wr. 20p	190	17.5	8.04	2.0	6.5	12.1
Jan. June	Minet Hldgs. 20p	124	17.5	3.39	2.3	4.2	15.7
Oct. June	Pearl 5p	256	20.4	10.24	—	6.0	—
Dec. June	Phoenix	198	17.5	8.42	—	6.5	—
Jan. May	Provident "A"	120	20.4	6.65	—	8.5	—
Jan. May	Do. "B"	120	20.4	6.65	—	8.5	—
Nov. May	Prudential 5p	116	20.4	5.41	—	7.1	—
Nov. May	Refuge 5p	106	22.3	6.85	—	9.9	—
Jan. May	Royal	280	22.3	13.39	1.2	7.4	17.5
Feb. Apr.	Sedg. Forbes 10p	250	8.3	7.81	1.7	4.8	18.3
Oct. Apr.	Stenhouse	105	6.5	13.63	2.0	5.4	14.0
Jan. July	Sun Alliance £1	293	17.5	16.4	—	6.6	—
June Dec.	Sun Life 5p	69	3.5	12.79	—	6.2	—
July	Taisho Mar. Y50	775	25.3	Q11%	—	1.1	—
Sept. May	Trade Indemnity	150	5.4	6.03	—	7.0	—
Mr.Ju.Se.De.	Travelers $2.50	£26¾	26.1	Q$1.09	—	2.3	—

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's	P/E
Oct. Mar.	Brit. Leyland 50p	32	—	—	—	—	—
Mr.Je.S.D.	Gen. Mts. Units	290	6.2	12c	1.8	2.3	24.1
Jan. April	Lotus Car 10p	27	18.6	—	—	—	—
July Mar.	Reliant Mtr. 5p	6½	14.7	—	—	—	—
Sept. May	Rolls-Royce Mtrs.	55	5.4	13.5	2.0	9.6	7.9
May	Volvo Kr50	£25	17.5	Q12%	1.4	2.5	29.6

Commercial Vehicles

MINES—Continued

MISCELLANEOUS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Yld Gr's
—	Burma Mines 17½p	8½	19.5	0.1	♦	2.0
—	Charterhall 5p	26	3.07	—	—	—
Aug. Feb.	Cons. Murch. 10c	900	12.12	†Q80c	1.8	5.4
—	Lauracas	36	—	—	—	—
July	Northgate C$1	319	2.5	—	—	—
Jan. June	R.T.Z.	203	3.5	5.42	2.1	4.0
—	Sabina Inds. C$1	55	—	—	—	—
—	Tara Expln. $1	215	—	—	—	—
Nov. July	Tehidy Minerals 10p	65xd	14.6	2.17	♦	3.9
—	Yukon Cons. C$1	140	11.65	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming no issuance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- φ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♠ Not comparable.
- ✦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- : Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ‡ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✢ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xcd ex capital distribution.

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security.

FINANCIAL TIMES
Monday June 28 1976

US may ask summit to drop tariffs

BY JUREK MARTIN, U.S. EDITOR

THE SEVEN-NATION economic summit opens here later to-day amid a series of reports of dramatic initiatives in the offing, but with the heavy probability that the most positive achievement will be a simple exchange of views on a wide variety of subjects.

One American report suggests that the U.S. will propose that the major industrialised nations commit themselves to the goal of dismantling all tariff barriers on trade between them. Work on such a project, it is suggested, would begin once the current round of GATT talks in Geneva is completed next year.

It is not thought likely that President Ford, who convened this meeting, will raise it in the talks with the other heads of state, but it may be raised informally in discussions round the swimming pools and golf courses of the Dorado Beach resort, 27 miles from San Juan.

It is also possible that some form of financial "safety net" for Italy will be raised, though sources here stress that, in the absence of a new Italian government, a concrete guarantee is unlikely to emerge. Several countries, most noticeably West Germany, are believed to have reservations about such an assistance programme.

Although it was intended that the summit would concentrate on economic matters, there is some talk that the British and Americans may wish to discuss affairs in southern Africa in the wake of last week's talks in Germany between Dr. Kissinger, the U.S. Secretary of State, and Mr. Vorster, the South African Premier. Both sides may wish to sound the other five nations on the possibility of absorbing white Rhodesians, should this be needed.

The British delegation is also expected to present once again its case that the prognosis for the recovery of the British economy is better than it was, a matter of some controversy at last week's OECD meeting in Paris.

More generally, Mr. Callaghan and Mr. Healey will probably argue that the course of moderate sustained recovery that the Western nations are embarked on may be insufficient to resolve by 1980 the underlying unemployment problems affecting most of the industrialised world. The American view, of course, is that inflation remains much the most potent threat to economic prosperity, but the British appear determined to make their point again.

U.S. concern

There is some concern that the U.S. economic recovery is losing a little headway. Mr. Alan Greenspan, chairman of Mr. Ford's Council of Economic Advisers, appeared to suggest that real American GNP growth in the second quarter might drop below 5 per cent., compared with 8.7 per cent. in the first. He stick to his prediction that for the year as a whole real growth would be "close to 7 per cent." and was at pains to stress the fickleness of official figures.

The conference itself will not follow the lines of its predecessor seven months ago at Rambouillet. There are only three relatively short formal sessions, with a final communique due to be issued to-morrow afternoon. Though each country has nominally been given a subject heading for presentation, they are expected in practice to fit this into the overall framework of debate.

Thus to-day's session, on development of the world economy, will be launched by Mr. Ford's remarks on the international economic outlook. President Giscard d'Estaing will speak on financial and monetary affairs, and Mr. Callaghan is due to speak on East-West relations.

To-morrow's discussion is due to concentrate on the Third World, with the assumption that the heads of delegations will try to iron out the differences of opinion which, in part, marked the recent UNCTAD meeting in Nairobi. Chancellor Schmidt of West Germany is due to speak on the developing countries, and Mr. Takeo Miki of Japan has been allocated trade.

Mr. Pierre Trudeau, the Canadian Prime Minister, has been given the energy brief. His arrival has been delayed by his preoccupation with the Canadian airline pilots' strike, and is not due until this afternoon. Sig. Aldo Moro of Italy is down to speak on international institutions, but there seems some doubt here that this subject will actually be reached.

It is clear that politics will loom large in the talks. It is generally assumed that Mr. Ford's political needs dictated, in part, the calling of this meeting. His own frame of mind will not have been improved by the news from Montana, New Mexico and Idaho yesterday, where Governor Reagan whitewashed him in the Republican delegate race.

British Gas bid to sell more to industry

BY RAY DAFTER

BRITISH GAS has started to market large quantities of gas to industrial and commercial customers for the first time in three years.

Several deals are currently being negotiated with the proviso that the customers will not require the new supplies before spring 1978. By then gas from the Anglo-Norwegian Frigg Field should have been on stream for several months. At present the corporation is fully committed with its supplies of Southern North Sea gas.

The £45m. terminal which will handle Frigg gas is being developed at St. Fergus, Aberdeenshire, by Total, one of the partners in exploiting the field. The first phase of the terminal should be in operation by the end of this year.

The neighbouring British Gas terminal, which is costing £30m., should also be ready to receive Frigg gas from Total by the turn of the year. This terminal will process, meter, and control the flow rates of Frigg gas before it is passed into the national network. Plans are in hand to extend the terminal to handle supplies of gas from Shell/Esso's Brent Field.

Eventually, St. Fergus will become one of the largest gas reception areas in Europe. The combined British Gas/Total site covers 500 acres.

Both the Frigg field and Brent (which should be yielding gas in 1979/80) will produce more than half the daily volume of gas currently supplied by British Gas. The output should build up to 2bn. cubic feet a day, equal to about 30m. tons of coal a day.

Mr. Ron Probert, British Gas director of marketing, said that at least half of the new supplies of gas would be sold to domestic and commercial customers, in line with the Board's policy of directing as much gas as possible to the premium fuel market. It was anticipated that British gas would have between 50 and 55 per cent. of the domestic heating market by the early 1980s, as against 35 to 40 per cent. at present.

Emphasising the role of gas as a premium fuel Mr. Probert said that less than 4 per cent. of the corporation's supplies was used to fire power stations. This amount was needed for strategic reasons; dual-fired power stations provided British Gas with the opportunity of switching supplies at times of peak demand or in emergencies.

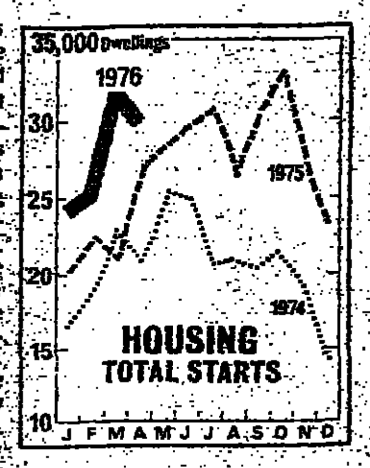
Consequently the corporation is negotiating with the North of Scotland Hydro Board for the supply of some Frigg gas, as an alternative fuel, to the 1,320-megawatt oil-fired power station which is being built at Bodham, Peterhead. The station is only a few miles from St. Fergus.

Shell is also negotiating an option to burn ethane, butane and ethane from the Brent Field. It needs such an option as a safety valve, should an emergency or market forces affect the supply of these fuels to the chemical industry.

THE LEX COLUMN

Second half surge at Norcros

The Norcros share price has been noticeably weak relative to the market since early March but there is nothing limp about the 1975-76 profits performance. Pre-tax, the group is £2.2m. ahead at £12.1m. with the second half producing growth of close on a third. Exports have helped keep the U.K. moving forwards despite volume declines of up to a tenth, while the overseas operations have powered along, thanks to currency gains of maybe £0.4m. and a very useful performance from Nigeria. Norcros is now much more hopeful about U.K. demand so earnings should stay ahead in 1976-77. And the group balance-sheet is looking its healthiest for some time.



Capital spending is going to top last year's £3.4m., and Norcros has to repay debts of £4.7m. by March. But depreciation and retentions totalled around £6m. last year and the year-end balance sheet contains £8.7m. in cash. So net borrowings have now been levered back to a point where they represent perhaps three-fifths of shareholder's funds of £29½m.

Overseas earnings are still the main driving force behind profits. Together with exports "foreign" profits are now probably up to a third of the pre-tax total in contrast to a sales ratio of not quite a fifth. This sort of margins strength is going to be hard to maintain. But Norcros is hopeful, and in the U.K. its printing operations are over the worst, engineering and construction are trading steadily and the Hygena kitchen furniture side is now smartly out of the red. The shares yield 8.2 per cent. at 70½p, covered three times by earnings an eighth higher (on average capital) at 11p a share.

William Leech

The offer for sale of housebuilders William Leech is unlikely to excite any stags that might have survived the famine of the past two and a half years. The indicated yield is 12 per cent. and the p/e at the 64p offer price is 6.2. For comparison, a proven performer like Barratt Developments is likely to offer a similar yield and a lower p/e for its financial year ending this week, and there are plenty of other housebuilders with much lower ratings.

However, Leech has a number of positive points. By the standards of its sector, the business is conservatively managed and financed. The figures are not flattered by land sales or capitalised interest expenses and profits are not taken until sales have been completed. Debt represents under 50 per cent. of shareholders' funds, and the profits record confirms that this was one of the few housebuilders that did not go slightly mad during the early 1970s.

Reservations for its housing units in the first quarter of this year were 11 per cent. higher, and Leech expects to build 40 per cent. more units than it did in 1975-76. The indicated dividend would have been over twice covered by last year's earnings, so there could be room to exploit its fredom from dividend restrictions over the next couple of years.

Finally, thanks to the prospectus there are fewer uncertainties about Leech than there are for many other builders. The likely impact of the Development Land Tax is clearly spelt out, and there is an up-to-date valuation of property and development land—which takes net worth up from 52½p to 95p per share. All this ought to be enough to get the issue of the ground.

UDS

The UDS accounts give depressingly little insight into last year's disappointing profits performance. The impact of the continuing recession in the menswear trade—which has led to the closure of two out of the group's seven factories as well as heavy price reductions to clear stocks—is not quantified. There is no explanation of the £1.2m. swing into the red on the provision for deferred pro[...] and debt contingencies. The[re] is no analysis of the so[urce] and use of funds, which m[ight] have been especially useful [in] a year when working ca[pital] seems to have absorbed [well] over half the group's net [cash] flow.

The previous year's [extra]ordinary items have [been] restated, to eliminate the [trans]fer from reserves which [was] related to the London [and] County write-off. This year [the] reserves have been reduce[d by] £28m., as a result of a de[cision] to write off all prior years' [good]will, and by a further £2[...] representing the [exchange] realignment of an overseas [asset] with its matching investm[ent].

It would be unfair to [make] too much of UDS's re[ticence] which is not exceptional by [the] standards of many other [large] companies. But it is wor[th re]peating the point that there [are] more urgent priorities for [com]pany accounts than, say, [wordy] statements about [future] prospects as suggested [in the] "Corporate Report." [Oddly] enough, UDS used to be [more] forthcoming. Its 1973 ac[counts] split retail profits down betw[een] multiple shop chains, depa[rt]ment stores, and mail order. [It] is hard to see how this sort [of] information could do anyth[ing] but good for a share wh[ich,] having consistently und[er]performed the market, n[ow] stands at two-fifths of its 19[..] peak.

Bank advances

The latest analysis of ban[k] advances confirms that ban[k] lending to certain sectors o[f] the economy is beginning t[o] rise. At this stage the growth is concentrated in the distribu[]tive sectors, indicating that the retail and wholesale trades are starting to rebuild their stock levels which touched a low poin[t] last Autumn.

Bank lending to manufactur[]ing industry continues to fa[ll] but much less sharply than b[e]fore. Certain sectors are [al]ready increasing their ba[nk] borrowing (principally che[mi]cals and textiles) and althoug[h] the figures are distorted by the leads and lags effect arising out of the recent currency u[p]heavals it looks as though [de]mand for bank credit from [in]dustry generally will begin [to] revive over the next few mont[hs] as manufacturers start to bu[ild] up stock levels.

Major test for government cash limits system

BY SAMUEL BRITTAN

THE GOVERMENT'S failure to reach its original inflation-control target will impose a major test ono the new cash limits system for controlling public expenditure.

When the limits were fixed the expectation was that the rate of inflation would be down to single figures by the end of 1976. Mr. Denis Healey, the Chancellor of the Exchequer, has recently been talking about 12 per cent. by the end of 1976 and 7 per cent. by the end of the following year.

In the White Paper on Cash Limits published in April, the Government left it open what would happen if the general rate of inflation turned out to be "substantially higher than anticipation. The alternatives would be either to adjust the cash ceilings to take account of the higher-than-predicted inflation or to reduce real spending to keep within the original limits.

The total amounts involved may not be substantial on present indications, and the important issues may relate to individual items within the overall figure. This is because the programmes coming within cash limit controls have a large pay element—larger than in the economy generally — and the rise in public sector earnings is expected to be roughly in line with what was envisaged when the ceilings were fixed.

Moreover, the import content of these programmes is no more than 10 per cent., compared with 30 per cent. for expenditure generally. The greater part of the slippage so far in the official inflation control objectives reflects the unexpectedly rapid depreciation of sterling and will hence have a smaller relative impact on spending affected by cash limits than on the economy generaly.

Some individual programmes have a higher import content—for example, parts of the defence budget, which in total accounts for about a seventh of the spending covered by cash ceilings.

The need for tighter control has also been brought down to the day-to-day level for all civil servants Informal remarks have been made in Whitehall about the need for departments to economise in their use of paper, both for policy deliberations and for circulars.

Some £28.6bn. of total public spending for 1976-77, estimated at £45.6bn. at 1975 survey prices, is subject to cash limits, and is equivalent to a ceiling figure of a little under £40bn. after adjusting for the price increases expected for the financial year 1976-77. If import prices are 5 per cent. higher as a result of the unexpected sterling depreciation the total increases in cost would not amount to more than about £200m.; and it is doubtful if the Treasury would regord this as a valid reason for raising the general total.

But individual programme heads are bound to present hard cases; and difficulties of decision will be increased by the experimental nature of the cash ceilings.

£54m. Saudi contract for Grand Met

FINANCIAL TIMES REPORTER

A £54m. CONTRACT to supply basic amenities for two construction camps in Saudi Arabia has been won by Grandmet International Site Services, a subsidiary of Grand Metropolitan.

The contract involves the provision of a wide range of services for the two camps—between them housing 10,000 workers—over the next five years.

Mr. Patrick Lichtensteiger, managing director of the subsidiary, said yesterday that the company expected to win further similar contracts within the next year. "We are opening up a new and significant export potential for Britain," he added.

The company already operates camps for workers associated with the oil exploration industry in the Orkneys, Shetlands, the Sudan and Portugal. These, however, appear "almost insignificant" when compared with the potential in Saudi Arabia, according to Mr. Lichtensteiger, who expects to gain contracts for the running of construction camps for 50,000 men.

The company will be involved in every aspect of the running of the two Saudi camps, including catering, maintenance, laundry, recreation and medical services. It estimates that between 60 per cent. and 65 per cent. of the value of the contract will be returned to the United Kingdom. Off-duty facilities will include swimming pools, snooker, table tennis, cinemas and football pitches.

A major part of the contract involves the provision of catering facilities. While much of the food will come from Saudi Arabia itself, some will come from Britain.

Ireland faces prolonged strike

BY GILES MERRITT

IRELAND FACES a prolonged and economically damaging bank strike to-day following the breakdown of eleventh-hour negotiations in Dublin this weekend.

In spite of Government appeals to defer the indefinite strike for further talks, the militant Irish Bank Officials' Association, representing the 10,000 employees of the four major banking groups in the Republic, yesterday refused to call off its action.

The decision came shortly after Minister for Labour, Mr. Michael O'Leary's announcement that while the Government would examine "without delay" the new pay deal worked out on Saturday between the association and the banks, there was no prospect of that examination taking place before to-morrow's strike deadline. The four banks in question are the Bank of Ireland, Allied Irish Banks, Ulster Bank and the Northern Bank.

The situation has become complex and there are mounting fears that the strike will harden into the same sort of impasse that in 1970 resulted in banks remaining shut for six months.

If the Irish Government was to approve the bank employees' wage demands, it would prejudice its dwindling chances of securing a national pay deal of about 12 per cent. for 1976-77 from trade union leaders when they meet next week-end.

To prevent the association and the banks reaching a pay deal more generous than the proposed national agreement, the Dublin Government has just pushed through emergency legislation pegging the bank official's award to a national norm. But until the unions representing Ireland's 500,000 unionised workers vote on the 1976-77 national package in a week's time, no national norm can be said to exist.

Not only is the Government incapable of assessing the secret bank employees' wage settlement against a norm until then—thus ensuring the bank strike will last at least a week—but the indications are that the national deal will be rejected.

In that case there will be no pay norm and Ireland can expect a summer of widespread labour disruption as each union seeks to press home wage demands backed by strike threats in a welter of free-for-all bargaining.

The present crisis comes six months after the Government first appealed to the trade unions for a voluntary pay pause during the year. But since then relations between the two sides have become bitter and uncompromising.

So far this year, Ireland's economy has been slow in picking up after the worldwide recession, and industry is now voicing its conviction that Gross National Product growth for 1976 will be about zero rather than the 2 per cent level that Prime Minister Liam Cosgrave's Government has been forecasting.

Weather

U.K. TO-DAY

DRY and sunny except for some cloud in N.W. Scotland.

London, Cent. S., E. and W. England

Dry and sunny. Wind variable, light. Max 32C (90F).

S.E. and E. England, Anglia

Dry and sunny. Wind variable, mainly N.E., light or moderate. Max. 32C (90F). Cooler on coasts.

Channel Is., S.W. England, S. Wales

Dry and sunny. Wind N.E., light or moderate. Max. 30C (86F). Cooler on coasts.

N. Wales, Is. of Man

Dry and sunny. Fog patches on Western coast. Wind variable, light. Max. 25C (77F). Much cooler in coastal fog.

Lakes, Cent., N. and N.E. England

Dry and sunny. Wind variable, light. Max. 25C (77F).

Borders, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Cent. Highlands, Moray Firth, Argyll, N. Ireland

Dry, sunny periods. Wind S.W. light or moderate. Max. 20C (86F).

N.E. and N.W. Scotland, Orkney, Shetland

Rather cloudy, occasional rain or drizzle, hill fog patches. Wind S.W., fresh or strong. Max. 15C (59F).

Outlook: Mostly dry and hot with sunny spells but cooler near coasts. Occasional rain in extreme North.

Lighting-up: London 21.51, Manchester 22.12, Glasgow 22.36, Belfast 22.34.

BUSINESS CENTRES

[illegible]

HOLIDAY RESORTS

[illegible]

S—Sunny. C—Cloudy. R—Rain. F—Fair.

Leech house building group goes public

BY MICHAEL LAFFERTY

WILLIAM LEECH (Builders), the Newcastle housebuilding concern which is controlled by a charitable trust, is being publicly floated on the stock market to-day at a price of 64p per share, valuing the whole group at £7.68m.

Leech is only the second company to go public through a new offer for sale in the past 2½ years: the other was Wilson Walton Engineering, which last month left over 67 per cent. of its issue in the hands of underwriters.

To-day's launch is expected to be followed soon by the flotation of Hambro Life Assurance, the private insurance company controlled by Hambros, the bankers, and run by Mr. Mark Weinberg. Another possible launch in the near future is of the family-owned meat group, Thomas Borthwick.

New flotations have not been practicable until recently because of the depressed state of the stock market. Even when the market began to improve early in 1975 companies considering going public preferred to wait until the next year's accounts had been completed: Leech's latest accounts, for example, run to the end of February, 1976.

The William Leech group, controlled by the William Leech Foundation, a charitable trust set up by its president and founder, Mr. William Leech, in 1960, is offering the public 1.7m. 20p shares at 64p each.

Family interests

Most of the shares are coming from the trust, which holds just under 75 per cent. of Leech's capital but is reducing its holding to 4,456,000 shares —37.1 per cent. — by the offer for sale.

The remaining shares on offer are being sold by family interests and by a former employee. None of the directors is reducing his holding.

The Foundation has eight issued shares, five of which are held by charities: The British and Foreign Bible Society, the Church Missionary Society, the Methodist Missionary Society, the Methodist Missionary Society, the Salvation Army and the Society for Promoting Christian Knowledge.

The other three shares are held by the chairman, managing director and deputy managing director of the group.

Men and Matters, Page 12: Prospectus, Pages 31-33.

Continued from Page 1

Industrial strategy

Chancellor and the Industry Secretary is expected, along with contributions from the CBI, stating its attitude as to where the strategy should go next: from Sir Ronnie McIntosh, director-general of NEDO; the Distributive and Agricultural little "Neddies," the Royal Committee on Finance, and the Department of Employment and the Ministry of Agriculture.

A further NEDC meeting on the strategy is expected in September to consider how the work of the groups is to develop in the future, and how the exercise can be welded in with broader Treasury thinking on economic policy.

Of the 39 sectors chosen for the work, only the bearings committee, which has yet to be established, has failed to report, while outside consultants have been used for the report on gear transmission.

NEDO hopes to publish most of the main reports, although some of the participants in individual sectors object on the grounds of commercial confidentiality.